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USAID Strengthening Urban Resilience for Growth with Equity (SURGE) Project

**INTEGRATED ASSESSMENT REPORT ON BUSINESS
REGISTRATION AND INSPECTIONS PROCESSES:
CITIES OF PUERTO PRINCESA, TAGBILARAN,
ZAMBOANGA, BATANGAS, ILOILO AND CAGAYAN DE ORO**

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Strengthening Urban Resilience for Growth with Equity (SURGE) Project

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ACRONYMS

AF	Application Form
ARTA	Anti-Red Tape Act
BFP	Bureau of Fire Protection
BIR	Bureau of Internal Revenue
BOSS	Business One-Stop Shop
BP	Business Permit
BPLD	Business Permits and Licensing Division
BPLO	Business Permits and Licensing Office
BPLS	Business Permit and Licensing System
BPOSS	Building and Occupancy Permit One-Stop Shop
BT	Business Tax
CDO	Cagayan de Oro
CEC	City Environmental Certificate
CHO	City Health Office
CPDO	City Planning & Development Office
CTO	City Treasurer's Office
DILG	Department of Interior and Local Government
DTI	Department of Trade and Industry
ENRO	Environment and Natural Resources Office
FDI	Foreign Direct Investment
FSIC	Fire Safety Inspection Certificate
INVEST	Investment Enabling Environment Project
JIT	Joint Inspection Team
JMC	Joint Memorandum Circular
LGU	Local Government Unit
MC	Memorandum Circular
MP	Mayor's Permit
NERBAC	National Economic Research and Business Assistance Center
NGA	National Government Agency
OR	Official Receipt
RPT	Real Property Tax
SEC	Securities and Exchange Commission
SSS	Social Security System
TOP	Tax Order of Payment
USAID	United States Agency for International Development

EXECUTIVE SUMMARY

The drive to lower the cost of doing business in the cities of Puerto Princesa, Tagbilaran, Zamboanga, Batangas, Iloilo and Cagayan de Oro is one of four strategies¹ of the Strengthening Urban Resilience for Growth with Equity (SURGE) Project. The objective of the USAID-supported SURGE project is to contribute to enabling second-tier cities to become economically thriving and resilient growth centers through higher levels of investment and employment.

Studies show that the high costs of doing business is a deterring factor for investors to invest in a city or country. Thus from 2012 to 2014, another USAID-supported project, INVEST, assisted the cities of Batangas, Iloilo and Cagayan de Oro to streamline their business registration procedures resulting in significant reduction in the number of tasks, steps and time for starting a business. The SURGE Project continues to assist these cities and further helping three other CDI cities of Puerto Princesa, Tagbilaran and Zamboanga to simplify their own business registration processes .

This study sought to assess the current process of applying for business permits for new and existing businesses, its attendant inspections process, and the operations of the BOSS, where there is one in place. The streamlining activity is an organizational development intervention hence, the assessment activity was diagnostic in nature and its purpose was to generate objective data that each cities' Business Permit and Licensing System (BPLS) Team will use to streamline their processes.

The Project contracted third party groups, local universities and research institutions and individuals, to assess the extent to which the project's partner cities complied with the business process service standards set by the government, evaluated issues and problems encountered by LGUs and recommended measures to further streamline business registration.

The researchers gathered data from January to February 2016 through a time and motion study of selected applicants for business registration, documentation of BOSS operations and the inspection process and a client satisfaction survey. The study used a process table/map to document the end to end process *from the perspective of the applicant*.

The assessment² showed that business applicants in the cities of Puerto Princesa, Tagbilaran and Zamboanga went through a lengthy and complex processes because of numerous tasks, an average of 19 that the applicant had to complete prior to the release of the business permit. These tasks involved many national and local offices and were undertaken through manual processes. At a minimum of 13 days and seven hours (in Tagbilaran with inspections), the length of time it took to legally start a business resulted in high opportunity costs for the business owner and investors. In these three cities, it was observed that business registration was done mostly to enforce national and local regulations and collect business taxes and various fees.

In contrast, new business applicants and those renewing their permits in the cities of Batangas, Iloilo and Cagayan de Oro went through simple and facilitative processes that involved fewer tasks, an average of seven across the two processes. Applicants interfaced with a handful of

¹ The three others are to: strengthen private partnerships, capacitate city officials to effectively promote investments, and improve land tenure security and land information system.

² Samples of applicants per process were tracked and their movements and time costs measured.

offices, mostly local. The tasks included inspections prior to release of the permit only for Iloilo. At a maximum of two days and three hours (in Iloilo with inspections), the length of time it took to legally start was considerably shorter that meant lower opportunity costs for the business owners and investors.

As a result, these cities not only complied with, but surpassed most of the national standards in processing business permits. In Batangas, the new business process required 3 steps and took 2 hours and 28 minutes. Renewal of permits required 3 steps and 1 hour and 39 minutes to complete. In Iloilo, new business required 5 steps that took 44 minutes while renewal applications required 3 steps and 2 hours to complete. In CDO, new business permits required 5 steps that took 34 minutes while renewal required 5 steps and 1 hour and 14 minutes to complete. In these three cities, regulatory enforcement and revenue collection remain but the gatekeeping role is kept at a minimum to make starting business easy.

The study also confirmed the value of Business One-Stop Shops (BOSS) in making business permitting easy and convenient through centralizing involved offices in what is a temporary place in four of the six cities. The BOSS shortened the length of time applicants spent renewing their permits. However, it is far from the ideal concept of a BOSS as a truly one-stop shop for investors to set up a business. That would require not just streamlined operations within the business permitting process but across all city entry processes that the new investor would have to transact with beginning with the construction stage for large businesses or the occupancy permit stage for lessors.

As to the adoption of inspections measures advocated in the Joint Memorandum Circular 2010, particularly the holding of post permit inspections for new businesses and prior inspections for renewing businesses, only Batangas and CDO did so for both processes. Thus, undergoing the inspections and complying with its requirements with its significant time costs, is required in Puerto Princesa, Tagbilaran, Iloilo and Zamboanga for the new business and renewal processes. Iloilo and Tagbilaran do not conduct inspections during the period of renewal and thus do not make its conduct a requirement for the release of the permit.

The study recommends that the cities aggressively attract local and foreign investments into their jurisdictions. This strategy should be adopted as policy and implemented through operational streamlining, regulatory simplification, effective business mapping operations, and targeted investment promotion. The study recommends specific programmatic and operational measures to execute the strategy. This includes the proven approach that SURGE has planned for the cities of Puerto Princesa, Tagbilaran, and Zamboanga – a study tour to learn of good practices followed by a self-assessment workshop for the process improvements. For the cities of Batangas, Iloilo and CDO, a more demand-driven, issue-specific approach is recommended.

Automation is strongly recommended as a necessary solution to the lengthy and complex processes. The study recommends further that the cities of Puerto Princesa, Tagbilaran, and Zamboanga apply the JMC prescriptions and supplement this with more recently-tested solutions. It simulates the effects on the process of adopting specific streamlining solutions. It also advocates the Batangas model to the three cities to consider.

I. INTRODUCTION

The Strengthening Urban Resilience for Growth with Equity (SURGE) is a United States Agency for International Development (USAID) Project in the Philippines, awarded to the International City/County Management Association (ICMA). The objective of the SURGE program is to enable second-tier cities to become economically thriving and resilient growth centers outside the metropolises of Manila, Cebu and Davao. As engines of growth, these cities will provide a better quality of life for residents and people in surrounding areas. By the end of SURGE, activities are expected to have contributed to higher levels of investment and employment for both the second-tier and adjacent rural areas. Activities under SURGE are also expected to improve urban resilience by enhancing disaster risk preparedness, thereby ensuring sustainable growth.

The SURGE project aims to contribute to inclusive growth by (1) improving local capacity in inclusive and resilient urban management and processes (2) promoting low emission local economic development strategies and (3) Expanding urban rural connectivity and access. Since investments power local growth, Component 2 of SURGE works toward making cities more competitive by promoting measures that lower the cost of doing business, strengthen partnerships with the private sector, capacitate city officials to effectively promote investments, and improve land tenure security and land information system.

The international and local drive to lower the costs of entering and doing business through operational streamlining and/or regulatory reform have yielded good practices and lessons learned. As early as 2000, some LGUs streamlined their business registration on their own or, in many cases, with the support of donors and with the participation of the national government. Standardization soon followed with the passage of the Anti-Red Tape Act (ARTA) of 2007 that set minimum standards for various government transactions, including business registration. In 2010, the Department of Interior and Local Government (DILG) and the Department of Trade and Industry (DTI) raised the bar on the ARTA standards with the issuance of the Joint Memorandum Circular entitled, “Guidelines in Implementing Standards in Processing Business Permitting and Licensing System (BPLS) in All Cities and Municipalities” (JMC 1).

From 2012 to 2014 another USAID-supported project, INVEST, assisted the cities of Batangas, Iloilo and Cagayan de Oro to reduce their business registration procedures between two and five steps, with accompanying reductions in its other process indicators. The successor project, SURGE, continues to assist these cities to improve their business permitting and inspections processes. Furthermore, it is assisting the cities of Puerto Princesa, Tagbilaran and Zamboanga to achieve their own vision of business registration processes that spur local economic growth.

This assessment study is the precursor activity towards the operational streamlining by the cities of their new business registration, renewal and inspections processes. The study also assessed the existence and use of the Business One Stop Shops (BOSS), a streamlining solution that is widely practiced.

A. Objectives & Purpose of the Assessment Study

SURGE treats the streamlining activity as an organizational development intervention. Hence, this assessment was diagnostic in nature and its purpose was to generate objective data that each cities’ Business Permit and Licensing System (BPLS) Team will use to streamline their processes. This is in contrast to undertaking assessment to benchmark or to determine compliance to government policy.

The objective of this study was to describe and assess the current process of applying for business permits for new businesses, its attendant inspections process, and the operations of the BOSS where there is one in place.

B. Scope of the Study

Business registration is “a set of regulatory requirements an entrepreneur must comply with to set-up a business entity” (DILG-DTI, JMC 1, s.2010, p. 2). Inspections are an integral part of business registrations through express requirements by law, such as for fire inspection and zoning. Other inspections are those not expressly provided by national laws but which may be undertaken by LGUs. These include those conducted by building and health officials (USAID-LINC EG, 2011).

The Business One Stop Shop (BOSS) refers to an “arrangement where a single common site or location is designated for all concerned agencies in the Business Permit Licensing System (BPLS) to receive and process applications for business registration through a streamlined system” (DILG-DTI, JMC 1, s.2010, p.2). The BOSS is usually set up during the business renewal period, though some local government units set up a year-round BOSS.

The new business, renewal and inspections processes and the operational arrangement of the BOSS were studied from the experience and perceptions of the applicants undergoing the processes. The end-to-end process scope of the study begins from the first requirement that the applicant has to secure to apply for a new business permit, whether the requirement is by a city office or outside of it, like the *barangay clearance*, or a national agency certification (e.g. for a business name at the DTI for sole proprietorships, at the Securities and Exchange Commission (SEC) for corporations or the Cooperative Development Authority (CDA) for cooperatives). The process ends with the release of the business permit for the new business and renewal processes. For the inspections process which is presented as a separate and distinct sub-process, the documentation begins with the scheduling of the inspection with the business owner to the end of the on-site inspection of the business.

C. Analytical Framework

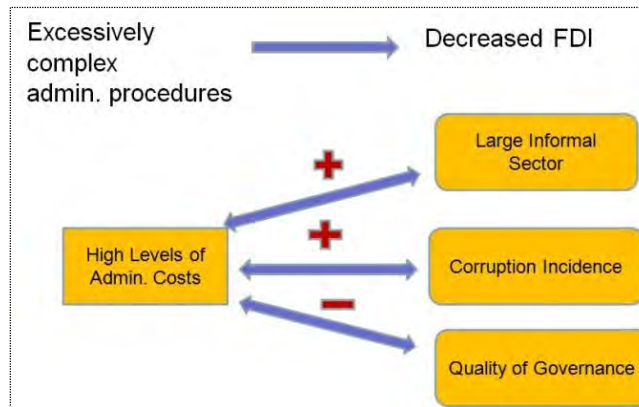
The theoretical and empirical literature behind the determinants of growth provide the rationale for lowering the cost of doing business through the streamlining of business registration operations. Countries with simple and facilitative business regulations grow faster; such that this regulatory environment has a positive and significant effect on economic growth (Djankov, et. al., 2006). Djankov et.al. quantified the impact of improving from the worst to the best quartile of business regulations through simulations of the Doing Business (World Bank) database. They found that such improvement is associated with a 2.3 percentage point increase in annual growth (p. 5)³.

Morisset & Luminga-Neso (2002) found that more regulation is correlated with larger informal economies and corruption incidence and the poor quality of governance in a country. The complexity of administrative procedures refers to the number of procedures and to the rigidity imposed by the regulations that are the bases of the procedures. These, in turn, affect the length

³ Other commonly used variables to determine growth as primary school enrollment, improvement in secondary education, inflation and government consumption resulted lower increases in growth rates. (p. 5).

of time required to complete the procedures (Gonzalez, Orient Integrated Development Consultants, Inc., USAID-INVEST, 2012).

Figure 1. Analytical Framework



In discussing the factors that affect Foreign Direct Investments (FDI), Sader (2000) asserts that it is not only the policy and legal environments that investors consider and that Investment Promotion Agencies (IPAs) should address but also how these policies are executed. Sader traces the conceptual underpinnings of One-Stop Shops (OSS), and their popularity beginning in the 1980s, to address these administrative inefficiencies (p. 2).

The concept behind the OSS is the centralization and coordination of various public agencies involved in investment promotion and registration into a single point of contact for the investors. Through a streamlined process within an OSS, the objective was to drastically reduce the opportunity costs that investors bear in setting up and registering a business. Sader cautions that placing the concept within the context of the bureaucracy and the inherently opposing objectives of investment promotion and regulatory enforcement add up to a fairly idealistic concept. (p.3)

Among the key factors that made OSS applications in a handful of countries successful (Sader 2000) were the following:

1. the existence of regulatory environments that required less licenses, approvals, permits or clearances;
2. the attraction of FDI as a deliberate and avowed strategy;
3. the authority granted to the OSS organization as manifested in direct control of most approval procedures;
4. the visible support from the highest levels of government for the OSS organization; and,
5. a high level of coordination among different and limited number of agencies. (p.3)

D. Methodology

Studies and past technical assistance projects guided the assessment methodology in the choice of variables and methods. However, unlike other technical assistance projects, this assessment study (and previous ones under USAID-INVEST) approached the OD data-gathering activity from a customer-centric perspective, with the customer being the applicant undergoing the process. SURGE contracted four academic institutions and two consultants to manage and conduct field researchers. They employed process observation through time and motion recording of applicants selected according to the sector and size of their businesses. Compared to the more common method of self-assessment by LGU staff, the customer-centric perspective leads to a more objective way to describe the many process elements that applicants go through.

For the observation of the processes and the BOSS, SURGE provided a Process Table, BOSS Guide Questions and Guidelines on Data-Gathering. The samples were tracked as they undertook the process of renewal in the BOSS; the new business process in the BOSS or in various offices in City Hall; and the inspections process in the place of business and in various offices in City Hall. In some of the cities, applicants' experience in securing the Barangay Clearance and the DTI/SEC/CDA certifications were not tracked because the first point of contact between the applicants and the field researchers was in City Hall. In these cases, the field researchers interviewed applicants regarding their process experience with these procedures. To comply with categories of the sample, other applicants who had completed the process beforehand were identified with the assistance of the cities' Business Permitting and Licensing Offices (BPLO) and contacted and interviewed by the field researchers. Sample selection for the inspections process was by purposive sampling. Sub-contractors and consultants also interviewed key informants of city officials and did desk research.

A different group of enumerators administered a face-to-face survey to renewal process applicants who just completed the process and were interviewed prior to leaving City Hall. These are a different set of respondents from the applicants who were tracked. Enumerators used a 19-item questionnaire and guidelines on survey administration developed under the SURGE and INVEST projects.

Periods of Data-Gathering

The sub-contractors and consultants gathered data from January to February 2016. They began the process tracking and survey administration with the renewal process and the BOSS assessment, followed by the new business permitting process and last, the inspections process.

Sample Selection

For the renewal process tracking, the total intended sample was 21 applicants, roughly half of whom were to be selected during the non-peak period and the rest during the peak period. Of the 21, seven (7) applicants from each of the major sectors of agriculture, industry and services were to be randomly selected. The seven applicants per sector were to be further classified according to the following establishment size categories: micro enterprise (0-9 employees), small enterprise (10-99 employees), medium enterprise (100-199 employees) and large enterprise (200 or more employees). If not a single applicant would fall into any of the size categories described above, field researchers were to purposively select additional respondents based on the establishment size that had no respondents.

Across the six cities, Zamboanga and Batangas did not meet the intended total of 21 applicants. Zamboanga had 20 after applicants representing the large size of establishments declined requests to be tracked or interviewed and could not be replaced within the available period. Batangas had 11, representing the Process Tables of applicants that were correctly completed. The achieved samples of Puerto Princesa, Tagbilaran, Iloilo, and CDO had representation from each of the three major sectors and from each establishment size. Across the four cities, majority of the sample were micro enterprises, while the Puerto Princesa sample was all composed of micro enterprises.

For the new business process tracking, the total intended sample was 15 applicants. Across the six cities, Zamboanga and Batangas did not meet this total. Zamboanga had 3 applicants while Batangas had 10, again representing only the Process Tables of applicants that were correctly completed.

For the on-line process tracking in the cities of Batangas, Iloilo and Cagayan de Oro, the total intended sample was 15 applicants. Only Iloilo had data for 15 applicants who filed on-line. For the inspections tracking, respondents were chosen according to those who had scheduled inspections in February.

For the customer satisfaction survey, all the cities met the total intended sample of 300 respondents evenly divided between females and males.

Data Analysis Methods

SURGE provided a Guideline on Data Analysis. The data gathered from the six cities were first content analyzed to generate the common, core tasks that the sample experienced. Tasks specific to sector, line of business or size of establishment were presented separately.

Results were analyzed using a comparative approach. The cities' process indicators and findings on the inspections process and the BOSS were analyzed against: (1) streamlining principles; (2) the national standards as set in the DTI-DILG Joint Memorandum Circular 1 - Series of 2010 (JMC 1, s.10); (3) JMC 2010 prescriptions on inspections and guidelines for effective inspections (USAID-LINC-EG, 2011); and (4) BOSS prescriptions in the JMC 2010 and from the literature.

Survey results were processed using statistical treatment. Although the survey is based on applicants' perceptions, responses on items on the business profile and the length of time to get the permit provided an alternative data set for triangulation purposes to the process tracking data, most of which was gathered through time and motion recording by field researchers. Results on these two sets of items in terms of length of time to get the permit were consistent with each other.

The assessment used two sets of definitions of the process indicators. For the data-gathering, the process elements were defined broadly to give the cities' teams (which includes national government agency representatives) a broad scope of process indicator results with which to analyze and streamline. Since the assessment assumed that the applicant may start the process without full knowledge of the requirements, the data generated should give the cities' teams feedback about their information and education campaigns and other activities prior to and during the permitting process. Together with the end-to-end process perspective, the broad process definitions support the purpose of the study. The process elements are:

- a. **Name of (City's) Step** – major step/s required by the city & usually published by an LGU to secure a business permit;
- b. **Tasks** – actions required of an applicant that compose the city's step that an applicant undertakes;
- c. **Client Interface** – determines if the tasks specified require applicants to interact with public and private (e.g. Fire extinguisher refill business, photocopying service) personnel and with BPLS automated mechanisms;
- d. **Type of Form** – any piece of paper (whether hard or on-line) that an applicant fills up or provides information for, e.g. application form, payment form, record logbook;
- e. **Required Documents** – any document asked of an applicant as a necessity for undergoing the task and which is not a task or an output of a task;
- f. **Cost** – monetary amount spent by an applicant for undergoing the process;
- g. **Office** – the office, whether local or national, of the person that interacts with the applicant;
- h. **Number of Visits** – the number of times the applicant had to go to the same office to complete the task
- i. **Signatories & Initials** – the position or title of the person whose signature or initial is on the document given to the applicant;
- j. **Travel Time** – amount of time spent walking or riding to complete tasks. For the start of the process, the measurement of travel time begins from the entrance of the location that the applicant chose to begin with (e.g. entrance to City Hall);
- k. **Waiting Time** – the amount of time spent waiting in line or in waiting areas to start or resume the tasks; and,
- l. **Processing (Transaction) Time** – amount of time spent transacting with the front-line staff involved in the tasks and processing the application within the office/s.

The second set of definitions used the more limited JMC definitions for the analysis of the cities' processes as compared to the JMC 2010. The JMC 2010 perspective is also more limiting by marking the start of the process as only those that the cities have control over; thus excluding the Barangay Clearance and national level certifications but including the Bureau of Fire Protection. The JMC definitions of indicators are:

- a. **Step** - "action/s that applicants undertake as part of the process of applying for and/or processing business permits and licenses" while action is defined as "written acknowledgement of receipt, approval or disapproval made by a government agency on the application or request submitted by the client for processing."
Thus, the tasks that compose a step should have all three elements of the definition; that it, required a physical or on-line interface with a government office, triggered an action by that office, and led to a result or output, be it a document or a decision (can be verbal). To capture the latent meaning of the definition, the action that results in a decision was taken to imply ministerial and not routine action.
- b. **Signatories** – the final approving authority or authorities whose signature/s are affixed to a business permit or Mayor's permit to make the document legal and binding in the eyes of the law.
- c. **Standard Processing Time** -- refers to the time spent by an applicant from (filing the application) to receipt of the business permit by the LGU consisting of transaction time, waiting time and travel time within the site provided by an LGU for business registration.

- d. **Unified Form** - is a single common document issued by an LGU to a business applying for registration that contains the information and approvals needed to complete the registration process and facilitates exchange of information among LGUs and National Government Agencies (NGAs).

The four academic institutions that assessed the processes were Holy Name University's Center for Local Governance for Tagbilaran City, Central Philippines University for Iloilo City, Capitol University's College of Business Administration for Cagayan de Oro City, and Development Academy of the Philippines in Mindanao for Zamboanga. Glenn YMata and Mayette Patag assessed the processes in the cities of Puerto Princesa and Batangas, respectively although the data in Batangas had to be processed anew by SURGE's Project Technical Officer, Sheryl Peral.

The assessment is presented in two parts; Part 1 covers the integrated presentation of findings and analyses and Part 2 contains excerpts from the reports by city of the sub-contractors and consultant. In Part 1, the end-to-end process findings are presented by clusters of cities; Cluster 1 being the cities of Puerto Princesa, Tagbilaran and Zamboanga and Cluster 2, the cities of Batangas, Iloilo and Cagayan de Oro (CDO). The categorization was based on similarities as to the degree of streamlining evident in their current business permitting process, Cluster 2 having had the benefit of TA extended by the INVEST project.

PART 1 – INTEGRATED ASSESSMENT

II. Integrated Findings & Analysis

The issuance of new business permits and its renewal at the start of every year emanates from the duty of the city mayor to promote the general welfare of local citizens by enforcing local ordinances on the regulation of business establishments and the setting of taxes and fees for businesses within the city (1991 Local Government Code, 1999).

A. New Business Permitting Process: Process Findings vis-à-vis Streamlining Principles

1. Process Indicators (*end-to-end perspective*)

The samples of applicants shared a process experience that required them to do numerous tasks to register their new businesses. These tasks numbered 18 in Puerto Princesa, 18 in Tagbilaran and 23 in Zamboanga. The tasks all entailed face-to-face interactions with public and private personnel and none with automated or on-line mechanisms. It is a manual process. The high number of tasks with client interfaces means it is the applicant that moves the application forms from one office to another and from one level of government to another (the Barangay and national government agencies). It implies limited backroom operations within the BOSS for processing applications.

The applicant is made to fill-up various forms; from 3 and 4 in Puerto Princesa and Tagbilaran to a high of 18 in Zamboanga. This means the lack of centralization of data entries across the offices and low data sharing across offices involved. It implies duplications across offices' information requirements. The average of 18 signatories and initials across the three cities underlines the high number of personnel and offices involved in receiving, validating and deciding on an application. It implies a low delegation of authority and thus a disempowered frontline staff.

Across the three cities, the applicant had to make two visits to the same office and interface to complete a task. Across the three cities, the average length of time elapsed was at least five days before the business permit could be claimed. This indicator included processing time for the permit that required the applicant to return at a scheduled release date as opposed to the same day of application. For most of the year except in January during the renewal period when new business applicants can also use BOSS operations, applications would entail far lengthier travel time between offices because there would be no centralization of services across offices on one location.

The lengthy and time-consuming process in place in the three cities demonstrate an inefficient use of the time of the applicant and results in significant opportunity costs for the business that cannot begin operating its new business. The manifest objective of the process is to enforce local and national regulations and to assess and collect the business taxes and fees regulating the business activity.

1.1. End-to-End Process Indicators

For the procedures of securing the barangay clearance and registration requirements of DTI/SEC/CDA in each of the cities, a single count of the task with one client interface was used due to the variability of the processes across barangays and across NGA local offices. Nonetheless, the assessment cites lengthy time indicators found in these offices. (In the cities of

Batangas and Tagbilaran, the consultants were unable to document the process in the DTI and SEC. Thus, the reader should be cautious in comparing DTI or SEC indicators across the six cities.)

Puerto Princesa’s (Table 1) new business permit process required the sample to do 18 tasks with client interfaces. The number of tasks is understated as it excludes inspections since the sample had not undergone inspections during the tracking. The sample had to physically bring the three Application Forms and required documents to the eight offices located within and outside City Hall. There were three types of application form – the first for offices’ clearances that were considered as pre-requirements and meant to check on whether the businesses were able to comply with all of these during the previous year. The second form is for the business permit process and the third for Residence Certification.

The eight offices were mostly city offices with the Barangay, the DTI or SEC or CDA, and the BFP comprising the national offices. The local offices included the OBO for validating the Occupancy Permit and advising on inspections, and the Assessor’s Office for the assessment of the land tax. These offices involved 15 signatories and initials. The CTC and the photocopy of a claim slip were the only required documents.

Despite the sample being told to come back the following day, their outputs were not yet available when they did return which made them repeatedly follow-up from the offices. This resulted in an average of three visits per office. The total time for the sample which had not undergone inspections during the period of tracking was at least five (5) days, 20 hrs. and 27 mins. The on-site inspection that was recorded from a different sample took 14 mins. Even when added together this would be a minimum total length of time elapsed because the tasks of getting the clearances from the inspections offices after complying with the inspections findings were not tracked and thus, not measured.

Table 1: Puerto Princesa City: End-to-End Process Indicators of Sample of New Business Applicants (n=11⁴)

Process Indicators	Sample Mean
Number of Tasks w/ Client Interfaces	18
Number of Forms	3
Number of Signatories & Initials	15
Number of Offices	8
Number of Required Document/s	2
Number of Visits per Office	3
Total Length of Time Elapsed (w/o inspections)	5 days, 20 hours, 27 minutes
On-site inspection	14 mins. ⁵

⁴ Excludes four applicants who did not complete the process.

⁵ Based on only two observed offices’ inspections with a different sample. Data was unrecorded for the prior processing time of that sample and for any post-compliance time.

Tagbilaran City's (Table 2) new business permit process required the sample to do 18 tasks with client interfaces. The number of tasks is understated as it excludes inspections since the sample had not undergone inspections during the tracking.

The sample had to physically bring the Business Permit Application Form and required documents to the six offices located within and outside City Hall. Apart from the BPAF, the Fire inspection Form was the other form while the sample had to write on two logbooks.

The two required documents were the Lessor's Permit and the Certificate of Occupancy for New Building. The sample visited three local offices and three NGA offices, with the OBO also being involved through the inspections. These offices involved 20 signatories and initials. The BFP processed payment of its own fire fee. The length of time elapsed included scheduled release dates of at least one day.

Table 2: Tagbilaran City: End-to-End Process Indicators of Sample of New Business Applicants (n=6⁶)

Process Indicators	Sample Mean
Number of Tasks w/ Client Interfaces	18
Number of Forms	4
Number of Signatories & Initials	20
Number of Offices Visited	5 ⁷
Number of Required Documents	2
Number of Visits per Office	2
Total Length of Time Elapsed (w/o inspections)	6 days, 6 hours 15 minutes
Inspections Process	7 days, 1 hour, and 28 mins. ⁸
Monetary Cost (n=16 ⁹), PhP	
Mean	106,800
Maximum	1,366,743

Zamboanga City's (Table 3) new business permit process required the sample to do 23 tasks with client interfaces. The number of tasks is understated when it is inferred to the population of business registration applicants as the lines and size of business of the sample exempted it from inspections.

The sample to physically bring the Business Permit Application Form (BPAF) and required documents to the eight offices located within and outside City Hall, as the BOSS is not year-round. The BPAF does not contain the approval of the various city offices. Thus, each office issued their

⁶ Excludes the nine applicants who did not complete the process.

⁷ A sixth, the Office of the Building Official (OBO) was also involved thru the inspections.

⁸ Based on a different sample from the tracking of the new business process. This sample was of establishments in the service sector.

⁹ The sample is composed of businesses that are from the micro and small categories in size of establishment (determined by no. of employees).

own clearance or certification forms that the sample briefly filled-up. This totaled 18 forms. Many offices required more than one signature/initial, numbering 20 in all.

The sample visited four NGA offices and four local offices. The PAG-IBIG total of eight offices may be understated as it excluded the NGA offices of SSS, Philhealth, and the BIR which the process requires before issuance of permit. Apart from the BPLO, all offices assessed fees and the business tax and processed payment. The late opening and early closure of some NGA offices, the suspension of service during lunch break, and the sample's need to get money for the various payments resulted in two visits per office.

The length of time elapsed included scheduled release dates of at least one day. The time is understated because the applications were done during the renewal period when there is a BOSS. Also, while three offices require inspections prior to release of their clearances, the sample's risk category was not required to be inspected.

Table 3: Zamboanga City: End-to-End Process Indicators of Sample of New Business Applicants (n=3)

Process Indicators	Sample Mean
Number of Tasks w/ Client Interfaces	23
Number of Forms	18
Number of Signatories & Initials	20
Number of Offices	8
Number of Required Documents	4
Number of Visits per Office	2
Total Length of Time Elapsed	
Minimum	1 days, 3 hours,
Average	3 days, 3 hours
Maximum	9 days, 2 hours,
Monetary Cost (micro size, in PhP)	2,220
Minimum	24,843
Mean	45,950
Maximum	

The sample of applicants from each of the cities of Batangas, Iloilo and CDO did comparatively much less tasks and faced far fewer offices than the cities of Puerto Princesa, Tagbilaran and Zamboanga, at 6, 10 and 9 tasks, respectively, and 5, 6 and 4 offices, respectively. The sample had to physically move fewer forms. Excluding the Barangay and DTI/SEC/CDA forms, Iloilo and CDO had hard-copy application forms - unified forms - and for Iloilo, one other application form for the locational clearance inspection. Batangas' form is digitized and is filled-up by the BPLO staff through an interview process with the new applicant. (This is counted based on the broad definition of form used.) In Iloilo, the 15 signatories and initials involved in the process is high compared to five and three for Batangas and CDO in part because it is the only one of the three cities to require inspections prior to the release of the permit.

The Iloilo and CDO samples needed to visit only once per task but the Batangas sample had to do three visits for the same task involving the CTO/BFP interface. This was because after handing over the payment for the business tax and fees and the fire fee, the sample was asked to go back first to the waiting area as the BFP took longer than the CTO in processing the application. The second visit or the second time the same applicant was called back supposedly at the same window number, the BFP staff asked the applicant to pay for an inspection fee and to wait once more. The third visit was to sign on the BFP portion of the Information sheet, an output of an earlier task.

Among the three cities, the lengthiest time elapsed was for Iloilo at three hours and 24 minutes without the inspections time and a total of two days, three hours and 41 mins. with the inspections process. This is broken down into processing time prior to the on-site inspection (the business owner is informed two days ahead) and the on-site inspection time of 17 mins.

Table 4: End-to-End Process Indicators of Sample of New Business Applicants (on-site)

PROCESS INDICATORS	BATANGAS CITY	ILOILO CITY	CAGAYAN DE ORO
	n=10	n=15	n=15
Number of Tasks w/ Client Interfaces	6	10	9
Number of Forms	3	3	3
Number of Signatories & Initials	5	15	3
Number of Offices	5	6	4
Number of Required Documents	3	5	2
Number of Visits per Office	1 (BPLO,CTO); 3 (BFP)	1	1
Total Length of Time Elapsed	2 hours, 28 minutes Min. = 59 mins Max. = 1 day, 2 hrs. & 32 mins.	3 hours, 24 minutes/ With inspections process: 2 days, 3 hrs. & 41 mins.	44 minutes
Total Monetary Cost (Php) Mean	(no data)	(micro, n=14) 4,522 (small, n=1) 4,403	(micro) 8,649

1.2. Time Indicator Breakdown by Office & Task

In Puerto Princesa's new business permitting process (Table 5), the BPLO accounted for almost half of the total on one task, the backroom processing and releasing of the business permit which took two days, two hours and 43 mins. While the permits have been pre-signed, applicants were still given a scheduled date of release. The backroom processing involved the encoding of data and checking of the requirements. The volume of transactions also resulted in lengthy waiting times for the release of the permits. The CTO accounted for the next lengthiest transactions with one day and six hours for payment and one day, four hours and 28 mins. for assessment. The recording and approval of the payment and preparation of claim slip coupled with the volume of transactions resulted in the lengthy waiting and transaction times for the CTO.

Table 5: Puerto Princesa City's Biggest Contributors to Total Length of Time Elapsed (5 days, 20 hours, 27 mins.)¹⁰ (n=11)

OFFICE	TASKS	TIME (sample mean)
CTO	Assessment	1 day, 4 hours, 28 minutes
CTO	Payment	1 day, 6 hours
BPLO	Processing & Releasing of Business Permit	2 days, 2 hours, 43 minutes

In Tagbilaran's new business permitting process (Table 6), the BPLO accounted for at least half the of the total time for the task of processing the business permit of the sample. The sample was asked to return after three days to claim the Permit. The City Assessor's Office (CAO) accounted for the next lengthiest transactions with at least a day and four hours for getting the Property Index Number (PIN). While this is a task applicants who are not lessees have to go through, the sample included one applicant whose floor area had not yet been measured for tax purposes and had to undergo inspections for that, thus skewing the time measurements of the rest of the sample. It must be noted however that some applicants experienced some waiting time as the CAO staff was not at his/her station. While getting either a business name, SEC or CDA certification is a requirement the sample did, the time measurements were skewed by one applicant's waiting time of four hrs. and 34 mins. This was caused by having to secure the requirement from Manila as the company's headquarters were based in Manila. Waiting time for assessment at the CTO took 41 mins. with the transaction taking another 33 mins.

¹⁰ Excludes inspections

Table 6: Tagbilaran City's Biggest Contributors to Total Length of Time Elapsed (6 days, 6 hours & 15 mins.) (n=6)

OFFICE	TASKS	WAITING	TRANSACTION	SUB-TOTALS
		(sample mean)		
BPLO	Claim Mayor's Permit		3 days (minimum)	3 days
SEC	Get Certification	17 minutes	4 hours, 34 minutes	4 hours, 51 minutes
CTO	Submit application form w/ initial documentary requirements for assessment & claim billing statement	41 minutes	33 minutes	1 hour, 14 minutes
CHO	Submit Business Permit Application Form with OR of other fees & claim sanitary permit	26 minutes		26 minutes
CAO	Get PIN from Tax Mapping Section of CAO		1 day, 4 hours	1 day, 4 hours

In Zamboanga City's new business permitting process (Table 7), the BPLO accounted for most or one-third of the total time for the task of processing the business permit of the sample. This required printing it and sending it to the Mayor's Office for his signature. Applicants were told to return the following day. The offices of DTI and CPDO accounted for the next lengthiest transactions at 30 and 15 minutes, respectively. The BFP accounted for the lengthiest waiting time at 20 minutes considering assessment of the fire fee is computed merely as 10% of the assessed business tax. Travel time would be even longer if the sample had applied beyond the renewal period as there would be no BOSS, thus requiring them to go to each office which are located in and out of City Hall premises.

The lack of centralized assessment and payment of all fees at the CTO, instead of the CPDO, CHO and BFP doing their own, added significantly to the time costs to the applicant.

Table 7: Zamboanga City's Biggest Contributors to Total Length of Time Elapsed (3 days, 3 hours) (n=3)

OFFICE	TASKS	WAITING	TRANSACTION	SUB-TOTALS
DTI	Get Business Name	2 minutes	30 minutes	32 minutes
CPDO	Submit requirements for final evaluation*	1 minute	15 minutes	16 minutes
	Claim Locational Clearance			
BFP	Present the Business Permit Assessment Details*	20 minutes	2 minutes	22 minutes
BPLO	Secure Claim Stub & schedule of Business Permit release	3 minutes	1 day, 2 minutes	1 day, 5 minutes

* Two of three offices that require inspection prior to release of clearance, the other being CHO. However, the sample's risk category was not required to be inspected.

In Batangas' new business permitting process (Table 8), the CTO/BFP interface accounted for the lengthiest time at one hour and 10 mins., of which two of the BFP sub-tasks alone took 47 mins. BPLD accounted for the next lengthiest time at 52 mins. for the task of processing and releasing the various permits. This task and office also had the lengthiest waiting time at 43 mins. while the BPLD/CTO task of receiving the required documents, interviewing the applicant and assessing the applicant took the lengthiest transaction time at 10 mins.

**Table 8: Batangas City's Breakdown of Total Length of Time Elapsed
New Business Process (n=10)**

OFFICE	TASKS	Average/Mean Time			
		Travel Time	Waiting Time	Transaction Time	Total Time Elapsed
Barangay	1. Secure Barangay Clearance	No data			
DTI/SEC/ CDA or BOSS for DTI	2. Secure DTI/SEC/CDA	No data			
BPLO 1 Desk	3. Get queuing number	5 secs	1 minute & 1 sec	3 mins.& 3 secs	4 mins. & 9 secs.
*BPLO Receiving/ CTO (R1-R7)	4. Submit required documents, signed information sheet and had business tax, fees & fire fee assessed	39 secs	12 mins. & 5 secs.	10 mins & 2 secs	22 mins. & 46 secs.
CTO /BFP (P1-5)	5. Pay business tax & fees & paid fire fee	23 secs	16 mins. & 7 secs	6 mins & 1 second	22 mins. & 31 secs.
	Pay BFP inspection fee	24 secs	13 mins. & 7 secs.	4 minutes	17 mins. & 31 secs.
	Sign BFP portion of Information Sheet	19 secs	26 mins & 4 secs	3 mins. & 7 secs.	29 mins. & 30 secs.
	<i>Sub-total</i>				1 hr., 10 mins. & 16 secs.
BPLO (P5)	6. Claim the Mayor's Permit, Sanitary Permit, ENRO Certificate & FSIC	27 secs	43 mins. & 8 secs.	8 mins. & 2 secs.	51 mins. & 37 secs.
TOTAL FOR ALL OFFICES		2 mins. & 17secs.	1 hr, 51 mins. 32 secs.	34 mins. & 15 secs.	2 hours, 28 mins. & 48 secs.

In Iloilo's new business permitting process, the DTI/SEC task accounted for the lengthiest time at two hours and 32 mins.; most of which the sample spent waiting. The CTO payment task is the second lengthiest total time but at only nine mins. The lengthiest waiting times were at five minutes for claiming the locational clearance at CPDO and for paying the business tax and fees at CTO.

**Table 9: Iloilo City: Breakdown of Total Length of Time Elapsed
New Business Process (n=15)**

OFFICE	TASKS	TRAVEL	WAITING	TRANSACTION	TOTAL
BPLO	Get checklist of requirements			2 minutes	2 minutes
Barangay Center	Secure Barangay Clearance	1 minute	4 minutes	3 minutes	8 minutes
DTI/ SEC/ CDA	Secure DTI/ SEC Registration	2 minutes	2 hours, 27 minutes	3 minutes	2 hours, 32 minutes
CPDO	Fill-up and submit application for locational inspection	1 minute	4 minutes	2 minutes	7 minutes
CTO	Pay inspection fee	1 minutes	2 minutes	2 minutes	5 minutes
JIT	Undergo ocular inspection*				
CPDO	Claim locational clearance	1 minute	5 minutes	2 minutes	8 minutes
BPLO	Fill-up and submit Unified form		4 minutes	3 minutes	7 minutes
CTO	Pay taxes and fees	1 minute	5 minutes	3 minutes	9 minutes
BPLO	Claim Business Permit	1 minute	2 minutes	2 minutes	5 minutes
Total Length of Time Elapsed		9 minutes	2 hours, 53 minutes	22 minutes	3 hours, 24 minutes

*See Inspection Process Flow for the breakdown of time

In CDO's new business permitting process, the sample spent the most time getting and filling-up the form at eight minutes. This was followed by the DTI/SEC task at six minutes and the submission of the form for validation also at six minutes. Among the three time measurements, the lengthiest was total transaction time at 25 minutes.

**Table 10: Cagayan de Oro City: Breakdown of Total Length of Time Elapsed
New Business Process (n=15)**

OFFICE	TASKS	TRAVEL	WAITING	TRANSACTION	TOTAL
Barangay	Get Barangay Clearance	1 minute	1 minute	2 minutes	4 minutes
DTI/ SEC/ CDA	Get DTI/ SEC/ CDA Registration	3 minutes	1 minute	2 minutes	6 minutes
	Get and fill-up BPLD Registration Application Form	1 minute	1 minute	6 minutes	8 minutes
BPLD	Submit form and documentary requirements for validation		3 minutes	3 minutes	6 minutes
CTO	Undergo assessment of business tax and fees		1 minute	4 minutes	5 minutes
CTO	Pay business tax and fees		2 minutes	2 minutes	4 minutes
BFP	Pay fire fee		2 minutes	2 minutes	4 minutes
BPLO	Claim Business Permit and sticker		3 minutes	2 minutes	5 minutes
CHO	Claim Sanitary Permit			2 minutes	2 minutes
Total		5 minutes	14 minutes	25 minutes	44 minutes

B. Renewal Process: Process Findings vis-à-vis Streamlining Principles

1. Process Indicators (end-to-end perspective)

The sample of applicants from the cities of Puerto Princesa, Tagbilaran and Zamboanga went through a renewal process that was similar to the new business process in the high number of tasks that they had to do, at 20, 15 and 23, respectively. They went through almost as many number of city and national offices as with the new business process, at seven, nine and 10, respectively. Except for Zamboanga, multiple visits to complete a task with the same office and interface were necessary.

For these three cities, one latent objective of the process is to serve as a gatekeeper to enforcement of the prior year's delinquencies in terms of regulatory compliance to national and local laws and/or financial arrears with the city. The lengthy and time-consuming process demonstrates an inefficient use of the time of the applicant and the lack of a customer-focus in service provision.

1.1. End-to-End Process Indicators

Puerto Princesa's renewal process required the sample to do 20 tasks with client interfaces. As with the new business process, the process required the sample to bring the three application forms to the seven offices involved. Two of these were the barangay and the BFP with the rest being local offices. These offices involved 15 signatures and initials. The two required documents were a copy of the DTI/SEC/CDA registration and the CTC.

The length of time elapsed includes three full days during the peak period when the sample had to return the following day to get an output needed to continue the next task.

Table 11: Puerto Princesa City: End-to-End Process Indicators of Sample of Renewal Business Applicants (n=17)

Process Indicators	Sample Mean
Number of Tasks w/ Client Interfaces	20
Number of Forms	3
Number of Signatories & Initials	15
Number of Offices	7
Number of Required Document	2
Number of Visits per Office	3
Total Length of Time Elapsed	4 days, 18 hours, 10 minutes

Tagbilaran's renewal process required the sample to do 15 tasks with client interfaces. The sample had to bring the application form to the nine offices involved. Three of these were the barangay, the BFP and the PNP with the rest being local offices. Five of these offices had their own forms for the sample to fill-up. The nine offices resulted in 22 signatories and initials. The three required documents were the previous year's business and sanitary permits and health cards.

The length of time elapsed includes three full days during the peak period when the sample had to return the following day to get an output needed to continue the next task.

Table 12: Tagbilaran City: End-to-End Process Indicators of Sample of Renewal Business Applicants (n=21)

Process Indicators	Sample Mean
Number of Tasks w/ Client Interfaces	15
Number of Forms	9
Number of Signatories & Initials	22
Number of Offices Visited	9
Number of Required Documents	3
Number of Visits per Office	2
Total Length of Time Elapsed	6 days, 6 hours, 21 minutes

Zamboanga's process required the sample to do 23 tasks with client interfaces. As with the two other cities, the process was manual and relied on the applicant to move the application to the 10 offices involved who were in the BOSS, except for the barangay. Five of these offices were national offices; specifically, the BFP, PNP, SSS, Philhealth and PAG-IBIG. This number of offices resulted in 20 signatories and initials and 18 forms. The two required documents were the previous year's Mayor's permit and the CTC.

The length of time elapsed includes a full day when the sample was told to return for the Business/Mayor's Permit.

Table 13: Zamboanga City: End-to-End Process Indicators of Sample of Renewal Business Applicants (n=20)

Process Indicators	Sample Mean
Number of Tasks w/ Client Interfaces	23
Number of Forms	18
Number of Signatories & Initials	20
Number of Offices	10
Number of Required Documents	2
Number of Visits per Office	1
Total Length of Time Elapsed	
Minimum	1 day, 3 hours, 8 mins
Average	1 days, 4 hours, 23 mins
Maximum	2 days, 5 hours, 35 mins
Monetary Cost (micro size, in PhP)	
Minimum	1,990
Average	12,444
Maximum	122,970

The sample of applicants from each of the cities of Batangas, Iloilo and CDO did only a few tasks and faced few offices at 5, 5 and 7 tasks, respectively, and at 4, 3 and 4 offices, respectively. There were no hard-copy application forms. Instead, Batangas generates an Applicant Information Sheet which the applicant signs. (This is counted based on the broad definition of form used.) Iloilo also does not have an application form while CDO has a half-sheet application form with only three information fields for the applicant to fill-in; this is combined with an Oath of Undertaking. The sample hardly had to physically move forms or the minimal required documents due to the automated processes of the offices involved.

The Iloilo and CDO samples needed to visit only once per task but the Batangas sample had to do three visits for the same task involving the CTO/BFP interface. This was because after handing over the payment for the business tax and fees and the fire fee, the sample was asked to go back first to the waiting area as the BFP took longer than the CTO in processing the application. The second visit or the second time the same applicant was called back supposedly at the same window number, the BFP staff asked the applicant to pay for an inspection fee and to wait once more. The third visit was to sign on the BFP portion of the Information sheet, an output of an earlier task.

Among the three cities, the lengthiest time elapsed was for Iloilo at two hours and 21 minutes.

Table 14: Cities of Batangas, Iloilo & Cagayan de Oro: End-to-End Process Indicators of Sample of Renewal Business Applicants

PROCESS INDICATORS	BATANGAS CITY	ILOILO CITY	CAGAYAN DE ORO
	n=11	n=21	n=29
Number of Tasks w/ Client Interfaces	5	5	7
Number of Forms	1	0	1
Number of Signatories & Initials	3	10	3
Number of Offices	4	3	4
Number of Required Documents	2	2	1
Number of Visits per Office	1 (BPLO,CTO); 3 (BFP)	1	1
Total Length of Time Elapsed	1 hour, 39 minutes	2 hours, 21 minutes	1 hour, 47 minutes
Total Monetary Cost		P20,428.00	

1.2. Time Indicator Breakdown by Office & Task

In Puerto Princesa's renewal process, the BPLO and CTO accounted for half of the total length of time elapsed. The sample was asked to return after a day or two to claim the Permit as the BPLO processed the pre-signed business permits. The assessment of business tax and fees is a largely manual process in the CTO, resulting in significant waiting time for the sample and processing time for the CTO. Many in the sample had to return the following day to continue the process. Payment of the business tax and fees accounted for a day and five hours. The BFP's task of payment for the FSIC accounted for almost two hours of the sample's time.

Table 15: Puerto Princesa City: Breakdown of Total Length of Time Elapsed (n=17)

OFFICE	TASKS	TIME	TOTAL
CTO	Assessment	2 days, 4 hours, 54 minutes	5 days, 14 hours, 22 minutes
	Payment	1 day, 4 hours, 59 minutes	
BFP	Pay FSIC	1 hour, 42 minutes	
BPLD	Get Business Permit	2 days, 2 hours, 47 minutes	

In Tagbilaran’s renewal process, the BPLO accounted for almost half of the total length of time elapsed. This was for the task of processing the permit prior to claim, which the sample had to return for three days or more later. Assessment and payment at CTO contributed more than five hours to total time while the FSIC procedure contributed more than three hours. Waiting time was also long for both sets of tasks by these offices, at one hour and 39 minutes, respectively. Travel to BFP from City Hall had the highest travel time at six minutes followed by travel to CTO from the BOSS at five minutes. CTO representatives were not part of the BOSS. BFP representatives assessed and processed payments in the BOSS but required applicants to go to the BFP office for final processing and claiming of the FSIC.

Table 16: Tagbilaran City: Biggest Contributors to Total Length of Time Elapsed (n=16)

OFFICE	TASKS	TRAVEL	WAITING	TRANSACTION	TOTAL
PLO	Secure Business Permit Application Form	2 minutes	4 minutes	4 days, 9 minutes	4 days, 15 minutes
	Submit Business Permit Application Form with all documentary requirements to BPLO				
	Claim Mayor’s Permit				
CTO	Pay RPT dues (any time prior to payment of business tax)	5 minutes	1 hour	5 hours, 20 minutes	6 hours, 25 minutes
	Submit application form with initial documentary requirements to CTO Billing Section for assessment and claim billing statement				
	Pay business tax and other fees				
BFP	Pay fire inspection fee	6 minutes	39 minutes	3 hours, 11 minutes	3 hours, 56 minutes
	Fill-up fire safety inspection form and claim FSIC				

In Zamboanga’s renewal process, the BPLO accounted for the most of the total length of time elapsed at one day. This was for the task of processing the permit prior to claim, which the sample had to return for the following day at least. The Business/Mayor’s Permits are still printed by the BPLO and then sent to the Mayor’s office for signing. The CTO accounted for the longest waiting time by the sample at 37 minutes for the assessment and 17 minutes for the payment. Transaction time for the assessment required nine minutes per applicant. The BFP’s assessment task required a waiting time of 22 minutes while the task of presenting the OR that would trigger the release of the business permit took a transaction time of 10 minutes. Waiting time may have been affected by BFP suspending BOSS service for lunch, as with SSS, Philhealth and PAG-IBIG.

Table 17: Zamboanga City: Biggest Contributors to Total Length of Time Elapsed

OFFICE	TASKS	WAITING	TRANSACTION	TOTAL
CTO	Assessment of business tax and fees	37 minutes	9 minutes	46 minutes
	Pay Tax Due and Regulatory Fees	17 minutes	2 minutes	19 minutes
BFP	Present the Business Permit Assessment Details	22 minutes	2 minutes	24 minutes
	- present OR	1 minute	10 minutes	11 minutes
BPLO	Claim Business permit	3 minutes	1 day & 2 minutes	1 day & 5 minutes

In Batangas' renewal process, the CTO/BFP interface accounted for the most time at one hour and two mins., of which two of the BFP sub-tasks alone took 37 mins. The BPLD/CTO task of receiving the required documents, checking the list of positive findings, if any, and assessing the applicant took the next lengthiest time at 18 mins. The BFP processing sub-task prior to calling the applicant to sign the Information Sheet and the payment task at the CTO/BFP interface had the lengthiest waiting times at 22 and 20, respectively.

Table 18: Batangas City: Breakdown of Total Length of Time Elapsed

OFFICE	TASKS	Average/Mean Time			
		Travel Time	Waiting Time	Transaction Time	Total E lapsed Time
Barangay	1. Secured Barangay Clearance	No data			
BPLD 1 Desk	2. Got queuing number	0.6 mins or (36 secs)	1 mins. & 7 secs.	2 mins.& 8 secs	5 mins. & 51 secs.
*BPLD Receiving/ CTO (R1-R7)	3. Submitted required documents, signed information sheet and had business tax, fees & fire fee assessed	0.4 mins or (27 secs)	11 mins. & 4 secs.	7 mins	18 mins. & 31 secs.
CTO /BFP (P1-5)	4. Paid for business tax & fees & fire fee	0.64 mins. or (39 secs)	20 mins. & 1 sec.	4 mins	24 mins. & 40 secs.
	Paid BFP inspection fee	0.3 mins. or (19 secs)	5 mins. & 2 secs.	5 mins. & 2 secs.	10 mins. & 23 secs.
	Signed BFP portion of Information Sheet	0.2 mins. or (11 secs)	22 mins	5 mins. & 9 secs.	27 mins. & 20 secs.
	<i>Sub-total</i>				1 hr, 2 mins. & 23 secs.
BPLO (P5-C)	5. Claimed the Mayor's Permit, Sanitary Permit, ENRO Certificate & FSIC	0.3 mins. or (16 secs)	9 mins. & 2 secs.	3 mins. & 4 secs.	12 mins. & 22 secs.
TOTAL FOR ALL OFFICES		2 mins. & 28 secs.	1 hour & 8 mins, 16 secs.	28 mins. & 23 secs.	1 hour, 39 mins. & 7 secs.

In Iloilo's renewal process, the task of paying the business tax and fees and claiming the permits at the CTO accounted for the most time at 59 mins.; most of which the sample spent waiting at 51 mins. The assessment task at the CTO was the second lengthiest total time at 40 mins., most

of which again was spent waiting. Total transaction time at 24 mins. was low compared to total waiting time at one hour and 54 mins.

Table 19: Iloilo City: Breakdown of Total Length of Time Elapsed

OFFICE	TASKS	TRAVEL	WAITING	TRANSACTION	TOTAL
Barangay Center	Secure Business Clearance	1 minute	10 minutes	5 minutes	16 minutes
BPLO	Submit required documents for verification & assessment & get claim stub	2 minutes	11 minutes	7 minutes	20 minutes
CTO	Claim TOP		36 minutes	4 minutes	40 minutes
CTO	Get queuing number		6 minutes		6 minutes
CTO	Pay business tax & fees, FSIC 2016 fee, & claim BP		51 minutes	7 minutes	59 minutes
Total Length of Time Elapsed		4 minutes	1 hour, 54 minutes	24 minutes	2 hours, 21 minutes

In CDO's renewal process, the sample spent the most time paying the business tax and fees at the CTO at a total of 44 mins., 38 mins. of which was spent waiting. This is in contrast to the automated assessment thru the kiosk, for which the sample spent only a total of six mins., four mins. waiting, one minute of travel time and another one transacting. The second lengthiest task was getting the Barangay Clearance which took 33 mins., half of which was for travel time.

Table 20: Cagayan de Oro City: Breakdown of Total Length of Time Elapsed

OFFICE	TASKS	TRAVEL	WAITING	TRANSACTION	TOTAL
Barangay	Get Barangay Clearance	15 minutes	11 minutes	7 minutes	33 minutes
	Get and fill-up Application Form	1 minute		2 minutes	2 minutes
CTO Kiosk	Do on-line assessment priority number	1 minute	4 minutes	1 minute	6minutes
CTO	Pay Business Tax and other fees	2 minutes	38 minutes	4 minutes	44 minutes
BFP	Pay Fire Permit	1 minute	2 minutes	2 minutes	5 minutes
BPLO	Submit AF and other required documents				
	Claim Business Permit with sticker and Sanitary Permit	4 minutes	5 minutes	9 minutes	18 minutes
	Total	23 minutes	1 hour	24 minutes	1 hour, 47 minutes

C. Process Findings vis-à-vis JMC 2010 Standards & Prescriptions

1. JMC Standard Steps

To enable comparison between the cities' processes and the 5-step process advocated by JMC No. 1 series of 2010, it must first be determined which of the tasks constitute "steps" as defined in the JMC. Step is defined as "action/s that applicants undertake as part of the process of applying for and/or processing business permits and licenses" while action is defined as "written acknowledgement of receipt, approval or disapproval made by a government agency on the application or request submitted by the client for processing." A step must therefore have three elements; that it (a) required a physical or on-line interface with a government office, (b) it triggered an action by that office, and c) it led to a result or output, be it a document or a decision (can be verbal). The definition excludes tasks involving private offices or providers (e.g. Establishments selling fire extinguishers and photocopies). The latent meaning of "action" was also inferred, thus including only actions that required approval or disapproval to proceed with the process (e.g. Validation tasks) or of the output. Thus, a task like getting a queue number would not be considered a step.

Second, the cities' processes must be analyzed according to the JMC's perspective and assumptions. This perspective is that the LGU's responsibility begins when applicants submit an application form with the pre-requirements of the Barangay clearance and the DTI/SEC/CDA registrations already complied with. An implication is that if the city requires such pre-requirements before permit release but does not consider it as part of the process, applying the JMC perspective would preclude its count as steps. Since this assessment study used the broader definitions for data gathering for reasons explained in the Methodology, the JMC perspective, like the JMC definitions of process indicators, lead to a slight reduction in the number of "steps" as compared to "tasks with client interfaces". It will also lead to a big reduction in the number of signatories and forms. The "standard processing time" is equivalent to the total of travel, waiting and transaction time but due to the JMC perspective excludes the time spent securing the Barangay Clearance and DTI/SEC/CDA clearances, resulting in a reduction in the time indicator as compared to the broad definitions used in the previous tables.

Tables 21 to 26 show the five standard steps of the JMC and the corresponding steps in the new business permitting processes of the cities. The new business permitting process of the cities of Puerto Princesa, Tagbilaran, and Zamboanga did not meet the standards in number of steps with 20, 11 and 18, respectively.

Table 21: Comparison between the JMC 2010 Standard Steps & Puerto Princesa City's Step (New Business)

JMC STANDARD STEPS = 5	CITY STEPS = 20
1. Secure Application Form	1. Get Application Forms
2. File Application	2. Secure CPDO clearance
	3. Secure CHO clearance
	4. Secure Land Tax Clearance
	5. Get Property Index Number*
	6. Tag business location in the LGU's GIS*
	7. Secure clearance from OBO
	8. Secure clearance from BFP
	9. Get approval from BPLO for Renewal Application
3. One-time Assessment	10. Get assessment of business tax, fees and other charges
4. One-time Payment of Taxes, Fees and Charges	11. Pay business tax & fees
	12. Apply for Locational Clearance
	13. Apply for FSIC
	14. Apply for Sanitary Permit
	15. Undergo CTO inspection
	16. Undergo OBO inspection
	17. Undergo BFP inspection
	18. Undergo CHO inspection
5. Claim Mayor's Permit	20. Claim Mayor's Permit

* Requirements only until 2016

Table 22: Comparison between the JMC 2010 Standard Steps & Tagbilaran City's Step (New Business)

JMC STANDARD STEPS = 5	CITY STEPS = 11
1. Secure Application Form	1. Get Business Permit Application Form and list of requirements
2. File Application	2. Submit application form with initial requirements to BPLO for scheduling of inspection
	3. Undergo BPLO, OBO, CPDO, CHO, & BFP inspections (JIT)
	4. Get PIN from Tax Mapping Section
	5. Submit Business Permit Application Form with required documents to BPLO for encoding of business information to the database.
	6. Submit Business Permit Application Form with required documents to CTO Billing Section for assessment and claim billing statement

JMC STANDARD STEPS = 5	CITY STEPS = 11
	7. Pay business tax and fees
	8. Submit Business Permit Application Form with OR of other fees and claim sanitary permit
3. One-time Assessment	9. Pay fire inspection fee and claim FSIC
4. One-time Payment Of Taxes, Fees and Charges	10. Submit application form with all required documents to BPLO
5. Claim Mayor's Permit	11. Claim Mayor's Permit

Table 23: Comparison between the JMC 2010 Standard Steps & Zamboanga City's Step (New Business)

JMC STANDARD STEPS = 5	CITY STEPS = 18
1. Secure Application Form	1. Secure and fill-up Application Form for Business Permit.
2. File Application	
3. One-time Assessment	2. Get assessment of business tax and fees
4. One-time Payment of Taxes, Fees and Charges	3. Pay business tax due and fees
	4. Apply for Locational Clearance
	5. Pay Locational Clearance Fee
	6. Undergo CPDO inspection*
	7. Submit requirements for evaluation & claim Locational Clearance
	8. Secure Police Clearance
	9. Apply for Sanitary Permit
	10. Pay Sanitary Permit Fee
	11. Undergo CHO inspection*
	12. Claim Sanitary Permit
	13. Apply for Fire Safety Inspection Certificate (FSIC)
	14. Pay FSIC Fee
	15. Undergo BFP inspection*
	16. Claim FSIC
17. Submit clearances & receipts to BPLO	
5. Claim Mayor's Permit	18. Claim Mayor's Permit on scheduled day of release

* Conditional based on inspections risk categories

For the new business process, Iloilo and CDO complied with the standards at five (5) steps while Batangas surpassed the standards with three (3) steps. In the case of CDO, while the application form is not the Unified Form but a much shorter information form with an Oath of Undertaking, it nevertheless initiates the application and is, in fact, labeled as an application form by the city. It was thus considered the equivalent of the JMC step 1. The Oath of Undertaking is also an important document that the applicant has to sign and thus goes beyond the nature of an information sheet. In the case of Batangas, the intention is a two-step process of filing-

assessment and pay-claim. However, the execution of the second step resulted in the sample being called to two different windows for the pay and claim sub-tasks.

Table 24: Comparison between the JMC 2010 Standard Steps & Batangas City’s Step (New Business)

JMC STANDARD STEPS = 5	CITY STEPS = 3
1. Secure Application Form	
2. File Application	1. Submit required documents and undergo assessment of business tax & fees, including fire fee
3. One-time Assessment	(happens with step 1)
4. One-time Payment of Taxes, Fees and Charges	2. Pay business tax, fees, fire fee & fire inspection fee; Sign Information sheet
5. Claim Mayor’s Permit	3. Claim business permit, sanitary permit, City Environmental Certificate & FSIC

Table 25: Comparison between the JMC 2010 Standard Steps & Iloilo City’s Step (New Business)

JMC STANDARD STEPS = 5	CITY STEPS = 5
1. Secure Application Form	Merged with Step 3
2. File Application	1. Apply and pay for locational inspection fee
	2. Undergo inspection by JIT
	3. Fill-up Unified form and submit together with the required documents for verification and assessment and get TOP
3. One-time Assessment	Merged with Step 3
4. One-time Payment of Taxes, Fees and Charges	4. Pay business taxes and fees
5. Claim Mayor’s Permit	5. Claim business permit

Table 26: Comparison between the JMC 2010 Standard Steps & Cagayan de Oro City’s Step (New Business)

JMC STANDARD STEPS = 5	CITY STEPS = 5
1. Secure Application Form	1. Submit AF and documentary requirements for verification
2. File Application	2. Undergo assessment of business tax and fees
3. One-time Assessment	3. Pay business taxes and fees
4. One-time Payment of Taxes, Fees and Charges	4. Pay fire fee
5. Claim Mayor’s Permit	5. Claim Mayor’s Permit with sticker and Sanitary Permit

Tables 27 to 32 show the five standard steps of the JMC and the corresponding steps in the renewal processes of the cities. The renewal process of the cities of Puerto Princesa, Tagbilaran, and Zamboanga did not meet the standards in number of steps with 19, 13 and 20, respectively.

Table 27: Comparison between the JMC 2010 Standard Steps & Puerto Princesa City's Step (Renewal Process)

JMC STANDARD STEPS = 5	CITY STEPS = 19
1. Secure Application Form	1. Get Application Forms
2. File Application	2. Secure clearance from ZO
	3. Secure clearance from CHO
	4. Secure Land Tax Clearance from RPTBD
3. Claim Mayor's Permit	5. Get Property Index Number (PIN)*
	6. Tag business location in the LGU's GIS*
	7. Secure clearance from OBO
	8. Secure clearance from BFP
	9. Get approval from BPLO for Renewal Application
4. One-time Assessment	10. Get Assessment of Taxes, Fees and other Charges
5. One-time Payment of Taxes, Fees and Charges	11. Pay Taxes & Fees
	12. Apply for Locational Clearance
	13. Apply for FSIC
	14. Apply for Sanitary Permit
	15. Undergo CHO inspection
	16. Undergo BFP inspection
	17. Undergo CTO inspection
	18. Undergo OBO inspection
	19. Get Business Permit BPLO

Table 28: Comparison between the JMC 2010 Standard Steps & Tagbilaran City's Step (Renewal Process)

JMC STANDARD STEPS = 5	CITY STEPS = 13
1. Secure Application Form	1. Get Business Permit Application Form and list of requirements
2. File Application	2. Pay RPT dues (any time prior to payment of business tax)
	3. Notarize the affidavit of gross income or lessor's affidavit
3. One-time Assessment	4. Submit application form with initial documentary requirements to CTO Billing Section for assessment and claim billing statement
4. One-time Payment of Taxes, Fees and Charges	5. Pay business tax and other fees
	6. Fill-up form and get clearance from OBO
	7. Fill-up form and get clearance from CPDO Zoning Section
	8. Pay fire inspection fee
	9. Fill-up fire safety inspection form and claim FSIC
	10. Fill-up form and get CTMO Certification from PNP/CTMO
	11. Fill-up sanitary order form and get sanitary permit from CHO
12. Submit Business Permit Application Form with all documentary requirements to BPLO	
5. Claim Mayor's Permit	13. Claim Mayor's Permit

Table 29: Comparison between the JMC 2010 Standard Steps & Zamboanga City's Step (Renewal Process)

JMC STANDARD STEPS = 5	CITY STEPS = 20
1. Secure Application Form	(There is no corresponding step because there is no blank pre-printed form.)
2. File Application	1. Submit documents for updating of records
3. One-time Assessment	2. Get assessment of business taxes, fees and other charges
4. One-time Payment of Taxes, Fees and Charges	3. Pay business tax
	4. Get assessment of fire fee
	5. Pay FSIC fee
	6. Undergo BFP inspection*
	7. Claim signed FSIC on date of release
	8. Secure Police Clearance
	9. Get assessment of sanitary permit fee
	10. Pay Sanitary Health Certificate fee
	11. Undergo CHO inspection*
	12. Claim Sanitary Permit
	13. Apply for Locational Clearance
	14. Pay Locational Clearance fee
	15. Undergo CPDO inspection*
	16. Present OR & get Locational Clearance
	17. Secure SSS clearance
	18. Secure Philhealth clearance
	19. Submit clearances & receipts to BPLO
5. Claim Mayor's Permit	20. Claim Mayor's Permit on scheduled day of release

* Conditional based on inspections risk categories

For the renewal process, Batangas and Iloilo surpassed the standards with three (3) steps while CDO complied with the standards at five (5) steps. In the case of Iloilo, no application form has to be secured and the payment of business tax and fees and claiming of permit constitute one step.

Table 30: Comparison between the JMC 2010 Standard Steps & Batangas City's Step (Renewal Process)

JMC STANDARD STEPS = 5	CITY STEPS = 3
1. Secure Application Form	
2. File Application	1. Submit required documents and undergo assessment of business tax & fees, including fire fee
3. One-time Assessment	(happens with step 1)
4. One-time Payment of Taxes, Fees and Charges	2. Pay business tax, fees, fire fee & fire inspection fee; Sign Information sheet
5. Claim Mayor's Permit	3. Claim business permit, sanitary permit, ENRO certificate & FSIC

Table 31: Comparison between the JMC 2010 Standard Steps & Iloilo City's Step (Renewal Process)

JMC STANDARD STEPS = 5	CITY STEPS = 3
1. Secure Application Form	There is no application form.
2. File Application	1. Submit required documents for verification and assessment
3. One-time Assessment	2. Claim Tax Order of Payment (TOP)
4. One-time Payment of Taxes, Fees and Charges	3. Get queuing number and pay taxes and fees and claim business permit
5. Claim Mayor's Permit	

Table 32: Comparison between the JMC 2010 Standard Steps & Cagayan de Oro City's Step (Renewal Process)

JMC STANDARD STEPS = 5	CITY STEPS = 5
1. Secure Application Form	1. Secure Application Form
2. File Application	2. Do online assessment of business tax and fees at the kiosk and get priority number
3. One-time Assessment	3. Pay business taxes and fees
4. One-time Payment of Taxes, Fees and Charges	4. Pay fire fee
5. Claim Mayor's Permit	5. Submit Application Form and documentary requirements and claim Business Permit with sticker and Sanitary Permit

2. JMC Standard Processing Time & Prescriptions on Unified Form & Signatories

Tables 33 shows how the cities fared against the JMC prescriptions on standard processing time, use or non-use of the Unified Form, and the number of signatories on the business permit form in both the new business and renewal processes. JMC 2010 enjoined LGUs to strive for one day or less for the renewal of permits and a maximum of five days for new business permits. It required the use of the Unified Form for the centralization of information requirements and link-up with the Philippine Business Registry of DTI. It required only two signatures on the Business Permit.

The cities of Puerto Princesa, Tagbilaran, and Zamboanga all took more than one day in standard processing time for renewal, with more than four, six and one day, respectively. (Zamboanga's one day and four hours is an understated number given the conditional inspections which were not tracked and thus, not recorded.) Puerto Princesa and Tagbilaran also took more than the standard of five days for new businesses, at a minimum of 5 and 6 days. While the Zamboanga sample measured at least 3 days, this is an understated figure.

The three cities do not use the Unified Form prescribed in the JMC. Puerto Princesa and Tagbilaran comply with the two signatories on the permit while Zamboanga has only one. The same comparison for the cities of Batangas, Iloilo and Zamboanga are contained in Tables 34 to 36.

Table 33: Comparison between the JMC Prescriptions on the Standard Processing Time, the Unified Form & Signatories

JMC STANDARD & PRESCRIPTIONS	PUERTO PRINCESA	TAGBILARAN	ZAMBOANGA
Standard Processing Time:			
New Business (5 days)	5 days & 20 hrs.	6 days & 2 hrs ¹¹ .	3 days, & 2 hrs.
Renewal (1 day)	4 days & 18 hrs.	6 days & 5 hrs.	1 day & 4 hrs.
Unified Form	None 3 AFs	None 4 forms	None Each office issues its own form
Signatories:			
Max of 2 signatories on the permit	2	2	1

D. Comparison of Baseline and Streamlined BPLS for Applications for New Business Permits and Renewals, 2012-2014, 2016 (Cities of Batangas, Iloilo & CDO)

Table 34 shows slight increases in the number of steps and processing time between Batangas' 2014 and 2016 indicators. The increase of one step was explained earlier and attributed to execution of the CTO/BFP interface which also led to the slight increase in standard processing time.

Table 34 also shows that Batangas does not have a hard-copy Unified Form, instead it has its application form in digitized format in its database for use in new business applications. It complies with the two signatories on the permit and does not require the applicant to bring any documents, thus exceeding the prescription on at most five required documents (Filled-up Unified Form, SEC/DTI/CDA Certificate, Location Map, Barangay Clearance, and Occupancy Permit) in new business applications. The city is able to do this because while it needs most of these documents, these are outputs of the Occupancy Permit phase and the BPLD's system is linked with the City Engineer's Office, thus negating the need for the applicant to bring it. Batangas surpassed the standard processing time for both new business and renewal, at two hrs. and 28 mins. and one hour and 39 mins., respectively.

¹¹ Includes barangay clearance time measurement as no breakdown was given.

Table 34: Batangas City: Comparison of Baseline and Streamlined BPLS for Applications for New Business Permits and Renewal, 2012-2014, 2016

JMC Process Indicators	New Business Registration				Renewal of Business Registration				Status against 2014
	2012 (Baseline)	2013	2014	2016	2012 (Baseline)	2013	2014	2016	
Steps - 5	17	3	2	3	17	3	2	3	Increased
Forms (Unified Form)	11	1	0	0	3	1	0	0	Same
Signatories Max of 2 on permit	22 (manual)	2	2 (digitized)	2	14 (manual)	2	2	2	Same
Required Documents	7	3	0	0	9	4	2	2	Same
Standard Processing Time New Business (5 days) Renewal (1day)	Around 11 days	3 hours, 21 mins	1 hour, 35 mins ²	2 hours, 28 mins	1-2 days	5 hours, 38 mins	1 hour, 27mins	1 hour, 39 mins	Increased
Baseline data were collected during the Self-Assessment Workshops in June- July 2012. ² Streamlined data were based on third party assessments done by INVEST in 2013 and 2014. ³ Covers data for January-March for the years indicated *2016-average processing time based on 10 tracked applicants (new registrations) *2016-average processing time based on 11 tracked applicants (renewals)									

For Iloilo, Table 35 shows the changes in some indicators between 2014 and 2016. For new businesses, the inspections requirement is the additional one step while for the on-line process, there is no increase per se just a change in definition between the 2014 and 2016 indicators. In 2014, the on-line step was not counted as a step while in 2016 it is. There was a slight decrease in the processing time and the equivalent for renewals is within the range of the 2014 indicator. The large increase in processing time for the on-line process is from the inexact date of the receipt of the TOP that was conveyed to the applicants.

Table 35 also shows that Iloilo uses the Unified Form for new business applications. It has only one signatory on the permit. It surpasses the standard processing time for both new business and renewal, at 44 mins. and two hours on-site, respectively.

Table 35: Iloilo City: Comparison of Baseline and Streamlined BPLS for Applications for New Business Permits and Renewal, 2012-2014, 2016

JMC Process Indicators	New Business Registration				Renewal of Business Registration				Status against 2014 NB/Ren.
	2012 (Baseline)	2013	2014	2016	2012 (Baseline)	2013	2014	2016	
Steps – 5	27	18	4	5	9	11	3 (walk-in) 1 (on-line)	3 (walk-in) 2 (on-line)	Increased/ Same Changed
Forms (Unified Form)	8	2	1	1	4	1	0	0	Same
Signatories Max of 2 on permit	27	4	1	1	13	2	1	1	Same
Required Documents	6	5	5	5	6	6	5	3	Same/ Decreased
Standard Processing Time (excludes Brgy. & DTI/SEC/CDA) New Business (5 days) Renewal (1day)	About 2-3 days	17 days	Walk in: 1 hour	44 mins. & 23 secs.	3 days	1 ½ days	1 ½ to 4 hours (walk-in) <1 to 1 ½ hours (on-line)	2 hrs. & 5 mins. (on-site) 4 hrs. & 26 mins. (on-line) ⁴	Decreased/ Same Increased
Baseline data were collected during the Self-Assessment Workshops in June- July 2012. ² Streamlined data were based on third party assessments done by INVEST in 2013 and 2014. ³ Covers data for January-March for the years indicated *2016-average processing time based on 10 tracked applicants (new registrations) *2016-average processing time based on 11 tracked applicants (renewals)									

For CDO, Table 36 shows an increase of two in the number of steps for both processes between 2014 and 2016. The first is due to the re-emergence of the fire fee payment as a separate step from the one-time payment and the second is due to a change in the counting of the step, “securing an application form”. The number of signatories and required documents decreased. The standard processing time slightly increased for the new business process and doubled for the renewals process due to the additional fire fee payment step.

Table 36 also shows that while CDO uses a form, it is not the Unified Form. Its Permit has three signatories. It only requires two documents for both processes. It surpasses the standard processing time for both new business and renewal, at 34 minutes and one hour and 14 minutes, respectively.

Table 36: Cagayan de Oro City: Comparison of Baseline and Streamlined BPLS for Applications for New Business Permits, 2012-2014, 2016

JMC Process Indicators	New Business Registration				Renewal of Business Registration				Status against 2014
	2012 (Baseline)	2013	2014	2016	2012 (Baseline)	2013	2014	2016	
Steps – 5	17	5	3	5	17	5	3	5	Increased
Forms (Unified Form)	10	5	1	1	10	5	1	1	Same
Signatories Max of 2 on permit	27	7	4 (digitized)	3	27	7	4	3	Decreased
Required Documents	14	7	5	2	14	7	5	2	Decreased
Standard Processing Time (excludes Brgy. & DTI/SEC/ CDA) New Business (5 days) Renewal (1day)	19 days	Less than 1 hour	30 mins – 1 hour	34 mins.	2 days, 1 hr., and 50 mins.	1 hr., 41 mins., 33 secs.	30mins . to 1hr.	1 hr. & 14 mins.	Increased
Baseline data were collected during the Self-Assessment Workshops in June- July 2012. ² Streamlined data were based on third party assessments done by INVEST in 2013 and 2014. ³ Covers data for January-March for the years indicated *2016-average processing time based on 10 tracked applicants (new registrations) *2016-average processing time based on 11 tracked applicants (renewals)									

E. The Role of the Business One-Stop Shops (BOSS)

The BOSS refers to an “arrangement where a single common site or location is designated for all concerned agencies in the Business Permit Licensing System (BPLS) to receive and process applications for business registration through a streamlined system” (DILG-DTI, JMC 1, s.2010, p.2).

All of the six cities utilized a single common site or location within City Hall to receive and process applications for business registration during the renewal period. However, within cities the degree of streamlined processes within the agencies involved and across them, together with the presence of all concerned agencies, whether local or national, can still be vastly improved. While this study describes and assesses the degree of streamlined processes in the process findings sections, it is clear that the BOSS makes the renewal and new business permitting processes convenient by centralizing offices involved in what is a temporary place for four of the six cities. The BOSS shortened the length of time applicants spent renewing their permits.

Only Batangas and CDO have permanent structures and space providing year-round services to applicants. For the other cities, the lack of such centralized service past the renewal period would result in significantly longer time indicators as applicants would have to visit each of the offices involved.

While the BOSS as implemented during the renewal period fulfilled its role of centralization of operations, it is far from the ideal concept of a BOSS as a truly one-stop shop for investors to set up a business. That would require not just streamlined operations within the business permitting process but across all city entry processes that the new investor would have to transact with beginning with the construction stage for large businesses or the occupancy permit stage for lessors.

An even higher standard beyond the cities' control is the ideal concept described by Sader in the analytical framework of this Report. Such would require a regulatory framework that requires less permits and licenses in the first place and authority for such a body to have direct control of most approval procedures. This remains a challenge in the Philippines' fragmented inter-governmental structure, that entails high coordination costs.

Completeness of Agencies Involved. Except for Tagbilaran, Iloilo and CDO¹², the three other cities provided space in the BOSS for almost all of the national and local offices needed to process renewals and new business permits even if they did not require national level clearances or registrations like SSS, Philhealth and PAG-IBIG as being part of the process. This made it more convenient for the applicants to comply with these requirements. In Batangas, the presence of the DTI for new business applicants during the renewal period has shortened significantly the travel time that applicants in 2012 had to endure as they had to go to the DTI Lipa Office to register their business name. The BPLD head, Ditas Rivera, also noted the much faster processing time of the DTI staff this year (Interview, May 9, 2016).

In Tagbilaran, the CTO was not located in the BOSS but in its offices in the temporary City Hall, 20 meters away. While the BFP had assessment and payment operations in the BOSS, processing and claiming of the FSIC remained in the Office of the Fire Marshal, 500 meters away. These offices rendered important assessment and payment operations and their absence in the BOSS resulted in added travel time and reduced comfort for the applicants.

Sufficiency of physical structure in terms of space, lighting and ventilation. Even at peak period the 400 sq. m. space in Puerto Princesa and Tagbilaran was observed to be sufficient for the volume of applicants. However, in Puerto Princesa the ease of movement of applicants was not well designed such that the placement of tables did not follow the sequence of the renewal process causing applicants to track back instead of following a flow in one direction. In Tagbilaran, the BOSS was located outdoors under a makeshift tent, subjecting everyone to heat and dust. There was limited ease of access and poor ventilation in Zamboanga's BOSS. Iloilo's temporary BOSS area had a 110 sq. m. space for the waiting area while Batangas' permanent BOSS area is at 130 sq. m. and CDO's permanent BOSS space is at 265 sq. m. for the processing and waiting areas. City reports noted that during the peak period, all three BOSS areas were insufficient to contain the volume of applicants. Iloilo and CDO had indoor, air-conditioned spaces while Batangas has a roofed, outdoor BOSS area for the applicants where ventilation decreased during noon time and at the peak period.

Days of Service. Tagbilaran and CDO rendered service on the weekends of the renewal period. In Iloilo, the CTO fielded more personnel during the peak period.

Queuing System. Except for Batangas, all city reports noted that the queuing system did not cover the entire process across all the offices involved and/or reported problems with it. In Puerto Princesa, the order of processing the applications did not follow the sequence of the numbers issued (Ymata, Assessment Report on the BPLS of Puerto Princesa City, p. 26). In Tagbilaran, only the CTO had a queuing system so for the rest of the offices, applicants lined up while sitting on chairs. In Zamboanga. In Iloilo, while queue numbers were issued for the BPLO and CTO steps, there are problems with the system as apparent with the applicant suggestions on it and the amount of time this interface of getting a queue number contributed to the total length of time elapsed, at 28%, second only to the payment interface at 42%. CDO had no queuing system in

¹² The NGAs, like SSS, Philhealth and Pag-ibig, provided services through the Lingkod Pinoy Center in Robinson's Mall. DTI provided business name registration services in their offices. Unlike in previous years, CDO did not have a satellite BOSS.

the CTO section of the BOSS, leading to confusion among applicants on who was next to be served but had one in the Business Tax Office section where service was more orderly.

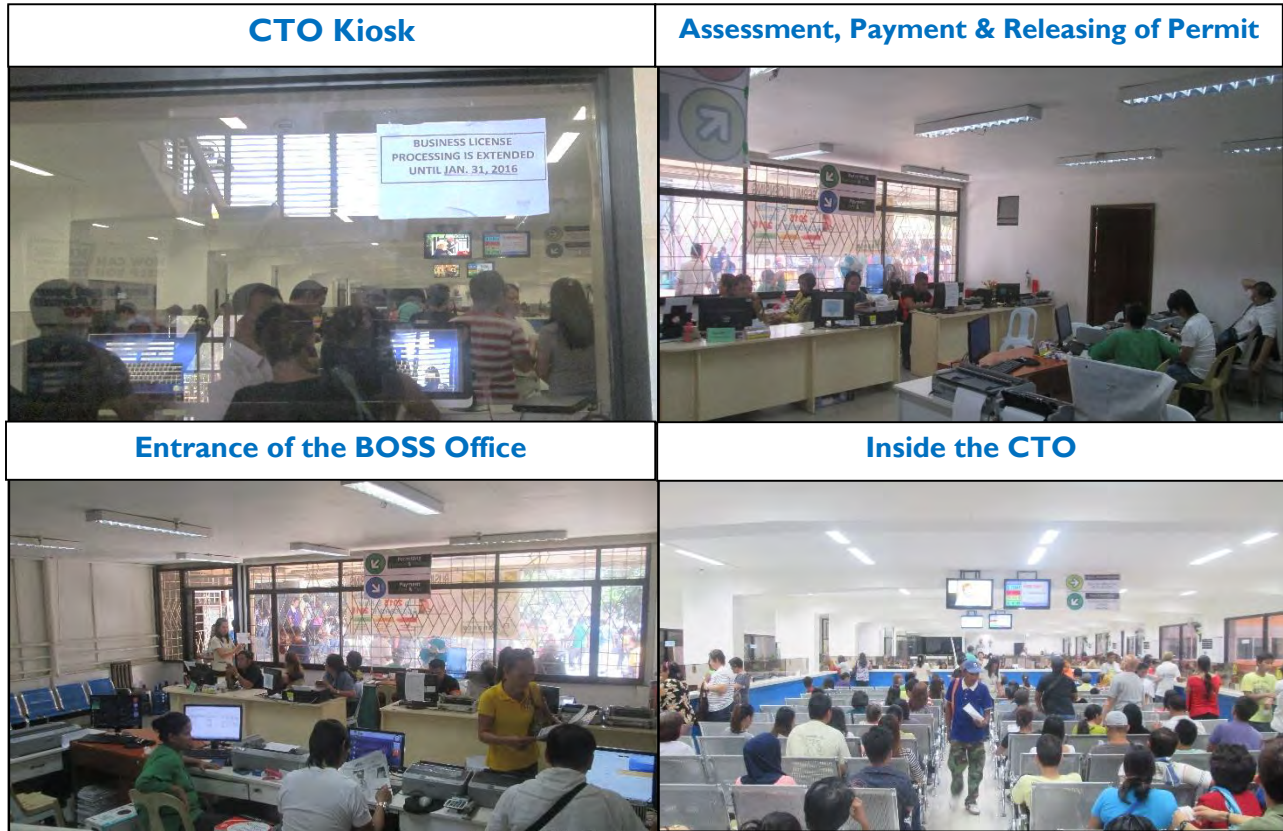
Backroom Operations. Extensive backroom operations coupled with a process with few client interfaces is an efficient way for the city to meet the objective of its process while valuing the time of its clients. Thus, among the three cities with numerous client interfaces, Tagbilaran and Zamboanga had limited backroom operations, often with only the BFP and the BPLO having such. There were no inter-office backroom operations to determine clearances, for example, in all three cities. Among the three cities with only a handful of client interfaces, only the BPLO, the CTO and the BFP usually need to interface with the applicant because other offices' clearances have been checked through backroom operations with automation prior to or during the renewal period.

Sufficiency of Information. Except for Batangas, Iloilo and CDO, the three other city reports noted that the process flow charts posted were insufficient in informing applicants of the complete process. None were also written in the vernacular. All cities had manned information desks.

Sufficiency of Chairs. Since waiting times could be significant the sufficiency of chairs in the waiting area is an important provision towards making the process comfortable for the applicants. City reports noted that these were lacking in the cities of Zamboanga and Tagbilaran.

Selected Photos of BOSS During the 2016 Renewal Period

CAGAYAN DE ORO CITY



BATANGAS CITY



IIOILO CITY



PUERTO PRINCESA CITY



Business One-Stop Shop during the renewal period in February 2016 located at the ground floor of the Puerto Princesa City Hall

TAGBILARAN CITY



Left: The electronic queuing system at the City Treasurer's Office located outside the BOSS
Right: Applicants were asked to register their names & affix their signatures before receiving

F. Customer Satisfaction Survey

Sub-contractors and enumerators in Batangas City administered a 19-item questionnaire to a minimum of 300 respondents evenly divided between females and males. Their profile and that of the business they were renewing for and their perceptions on the efficiency of the process and the satisfaction with the service were gathered. Results on four of the items are presented here per city. These are on over-all satisfaction, ease of the process, ease of payment, and length of time to get the permit.

Puerto Princesa City (n=302)

A plurality (45%) of the respondents were the business owners themselves while 36% were staff of the business. A plurality (35%) of the respondents represented businesses in wholesale or retail trade. Of the 302 respondents, 261 were micro in size, 32 were small and the rest were medium and large scale businesses.

Figure 2 shows that only 36% of respondents were satisfied with the service while 32% chose neutral and 23% were dissatisfied. Figure 3 shows that 45% of the respondents found the process "a little difficult" while another 23% found it "very difficult". Figure 4 shows that almost all (99%) of the respondents took more than a day to receive their business permit.

Figure 2: Over-all Satisfaction

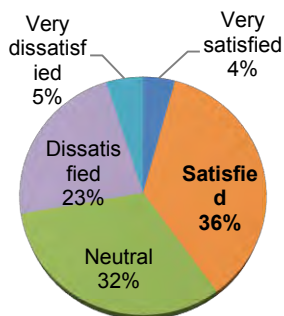
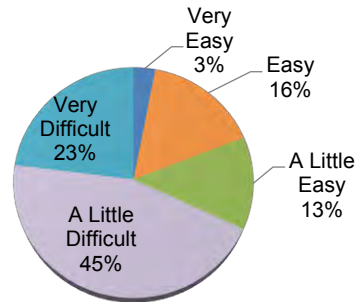


Figure 3: Ease of Renewal



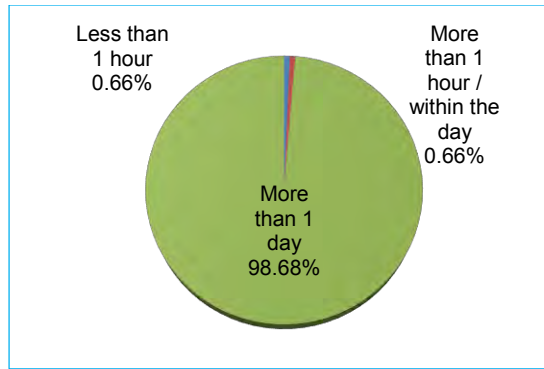


Figure 4: Length of time to get permit

Tagbilaran City (n=300)

Nearly half (49%) of the respondents were the business owners themselves while 35% were staff of the business. Twenty-three (23%) of the respondents represented businesses in wholesale or retail trade. Of the 300 respondents, 92% were micro in size. In terms of business ownership, 92% were single proprietorships and 17% were corporations.

Figure 5 shows that 72% were satisfied with the service, 16% chose neutral and 11% were very satisfied. Figure 6 shows that despite the manual payment process, 62% of the respondents found the payment process easy. Figure 7 shows that almost all (99%) of the respondents took more than a day to receive their business permit.

Figure 5: Over-all satisfaction

Figure 6: Ease of Payment

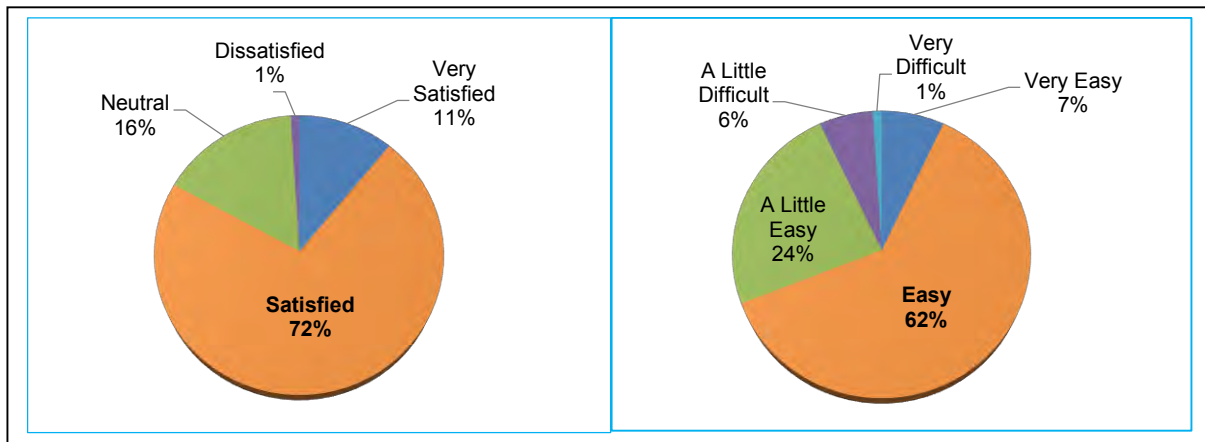
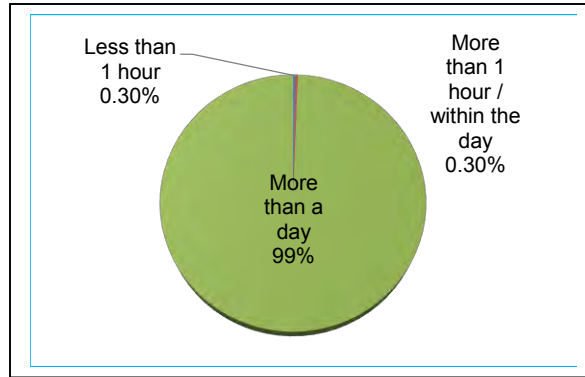


Figure 7: Length of time to get permit



Zamboanga City (n=306)

Almost half or 46% of the respondents were the business owners themselves while 25% were staff of the business. Thirty-one (31%) of the respondents represented businesses in wholesale or retail trade. Of the 306 respondents, 82% were micro in size followed by 15% small businesses. In terms of business ownership, 89% were single proprietorships and 6% were partnerships.

Zamboanga City (n=306)

Figure 8 shows that 45% were satisfied with the service, 25% chose neutral and another 25% were very satisfied. Figure 9 shows that despite the manual payment process, 29% of the respondents found the payment process very easy while 38% found it easy. Figure 10 shows that 88% of the respondents took more than a day to receive their business permit while 10% received it within the day.

Figure 8: Over-all satisfaction

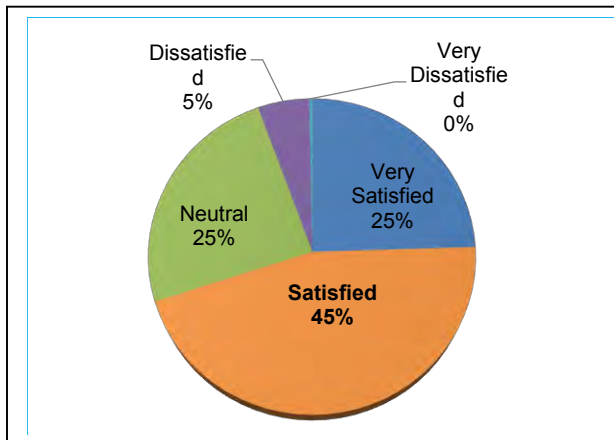


Figure 9: Ease of payment

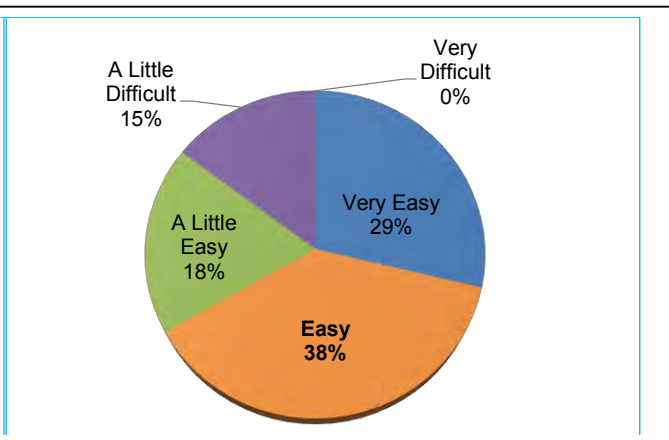
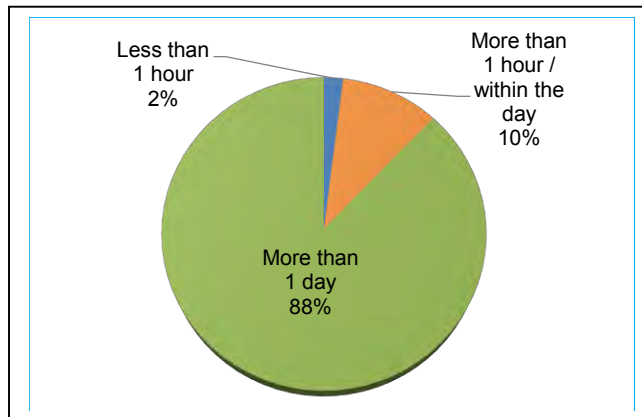


Figure 10: Length of time to get permit



Batangas City (n=303)

A majority of the respondents or 55% were staff of the business while 28% were the business owners. Thirty-one (31%) of the respondents represented businesses in wholesale or retail trade. Of the 303 respondents, 69% were micro in size, 23% small businesses, and 6% were medium-sized. In terms of business ownership, 57% were single proprietorships, 30% corporations and 12% were partnerships.

Figure 11 shows that 68% were satisfied with the service while another 25% were very satisfied. Figure 12 shows that 68% of the respondents found the process easy while another 22% found it very easy. Figure 13 shows that 64% of the respondents took less than an hour to receive their business permit while 31% received it within the day.

Figure 11: Over-all satisfaction

Figure 12: Ease of Renewal

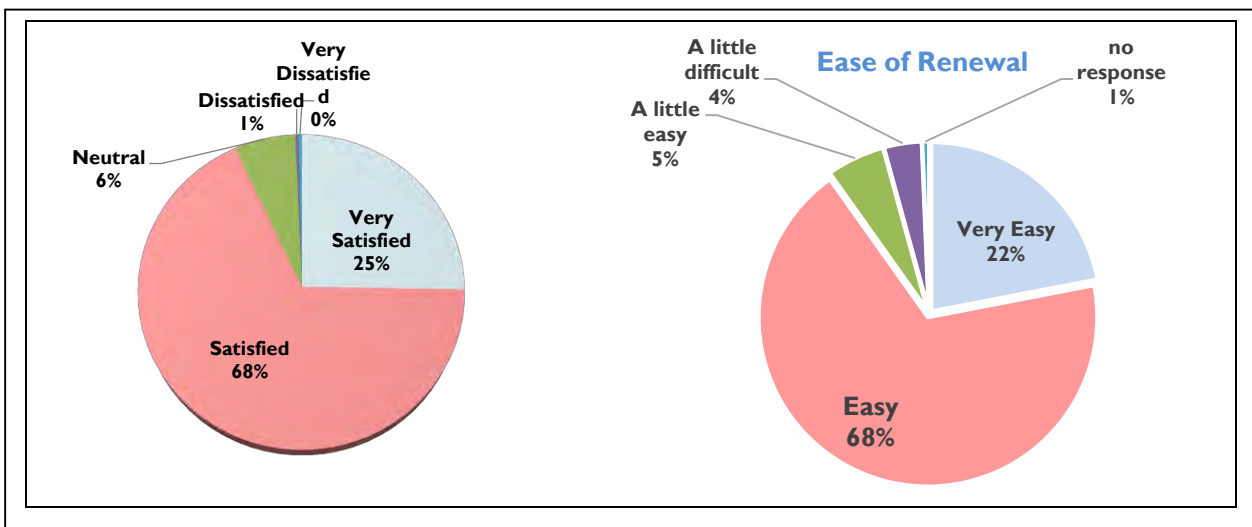
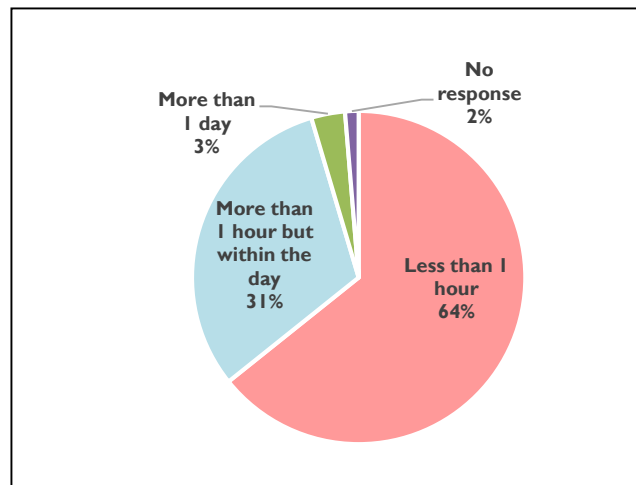


Figure 13: Length of time to get permit



Iloilo City (n=300)

A majority of the respondents or 51% were staff of the business while 29% were the business owners. Twenty-nine percent (29%) of the respondents represented businesses in accommodation and food service followed by financial and insurance at 15%. Of the 300 respondents, 82.3% were micro in size, 12% small businesses, and 5% were medium-sized. In terms of business ownership, 62.7 % were single proprietorships and 33% corporations.

Iloilo City (n=300)

Figure 14 shows that 45% were satisfied with the service, 25% chose neutral and another 25% were very satisfied. Figure 15 shows that despite the manual payment process, 29% of the respondents found the payment process very easy while 38% found it easy. Figure 16 shows that 88% of the respondents took more than a day to receive their business permit while 10% received it within the day.

Figure 14: Over-all satisfaction

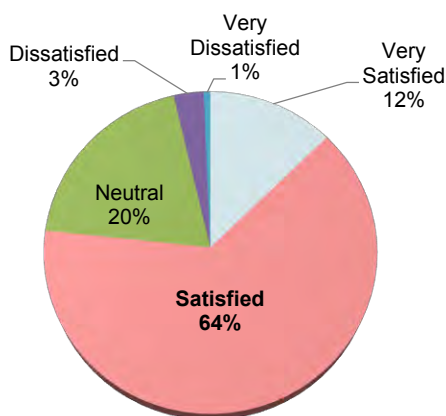


Figure 15: Ease of payment

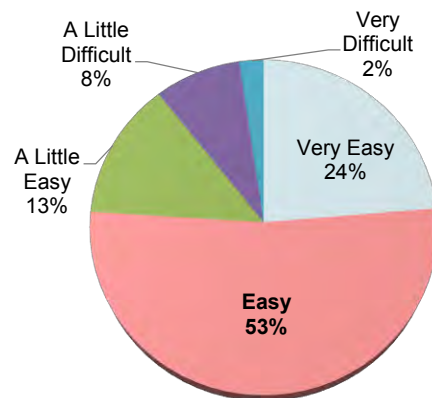
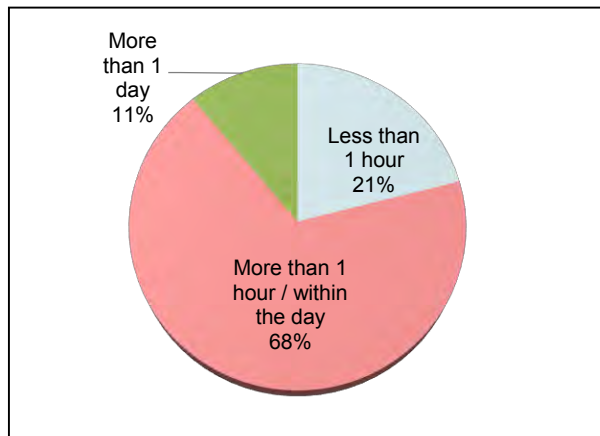


Figure 16: Length of time to get permit



Cagayan de Oro City (n=300)

A majority of the respondents or 64% were staff of the business while 31% were the business owners. Thirty-eight percent (38%) of the respondents represented businesses in wholesale or retail trade. Of the 300 respondents, 83% were micro in size and 15% were small businesses. In terms of business ownership, 73% were single proprietorships while another 27% were corporations.

Figure 17 shows that 45% were satisfied with the service, 25% chose neutral and another 25% were very satisfied. Figure 18 shows that despite the manual payment process, 29% of the respondents found the payment process very easy while 38% found it easy. Figure 19 shows that 88% of the respondents took more than a day to receive their business permit while 10% received it within the day.

Figure 17: Over-all satisfaction

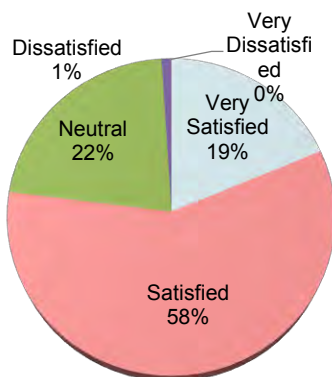


Figure 18: Ease of payment

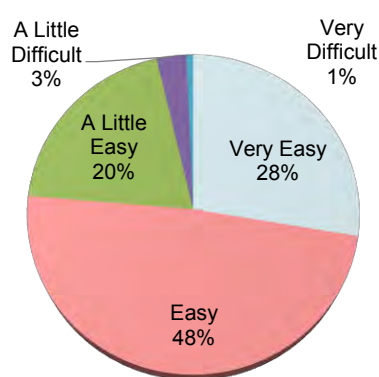
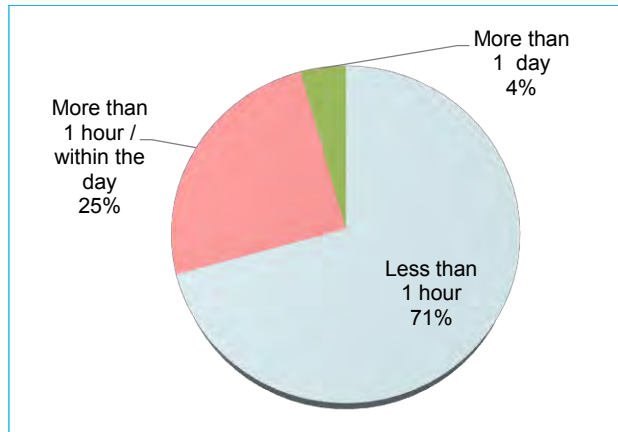


Figure 19: Length of time to get permit

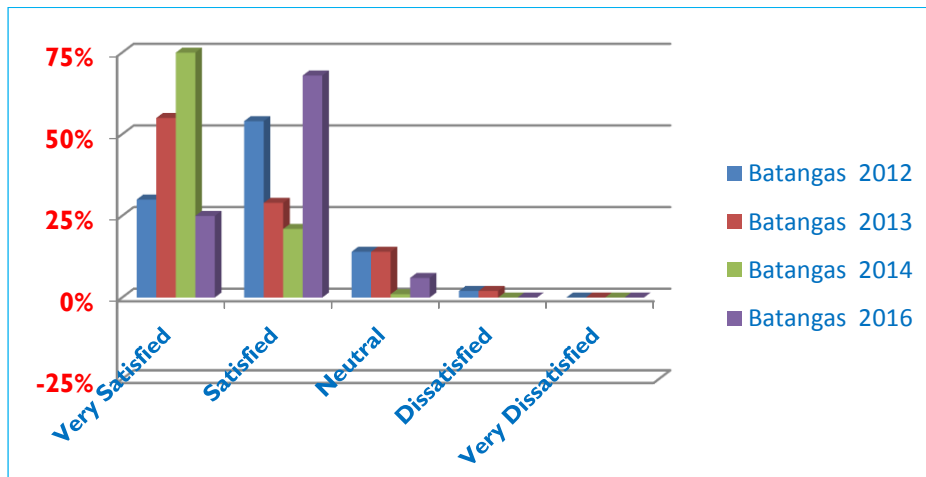


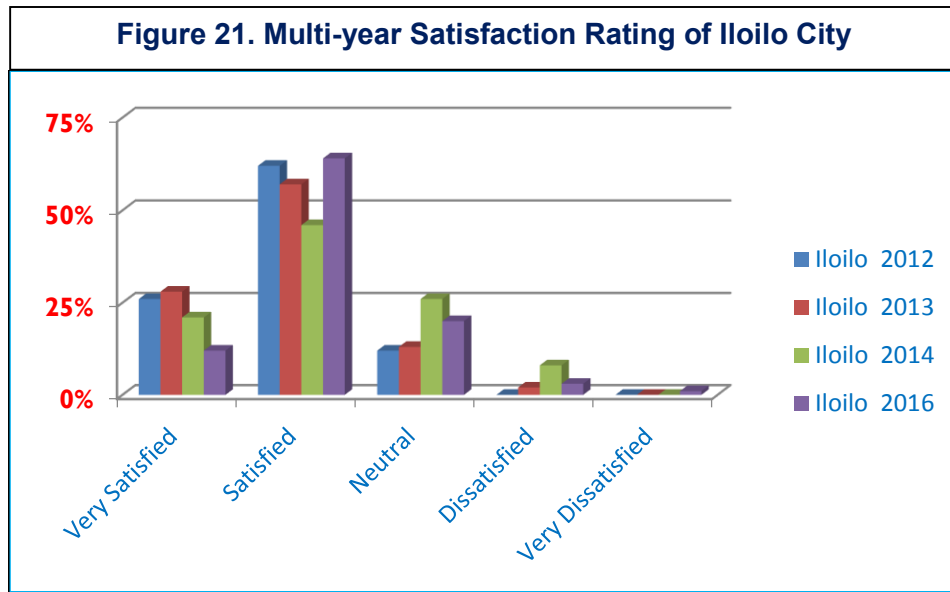
Multi-year Over-all Satisfaction Ratings

Figure 20 shows that from 2012-2014, the number of respondents who reported being “very satisfied” with the renewal process in Batangas saw large increases. This fell to just below 25% in 2016 but the number of respondents who said that they were “satisfied” increased above 60%.

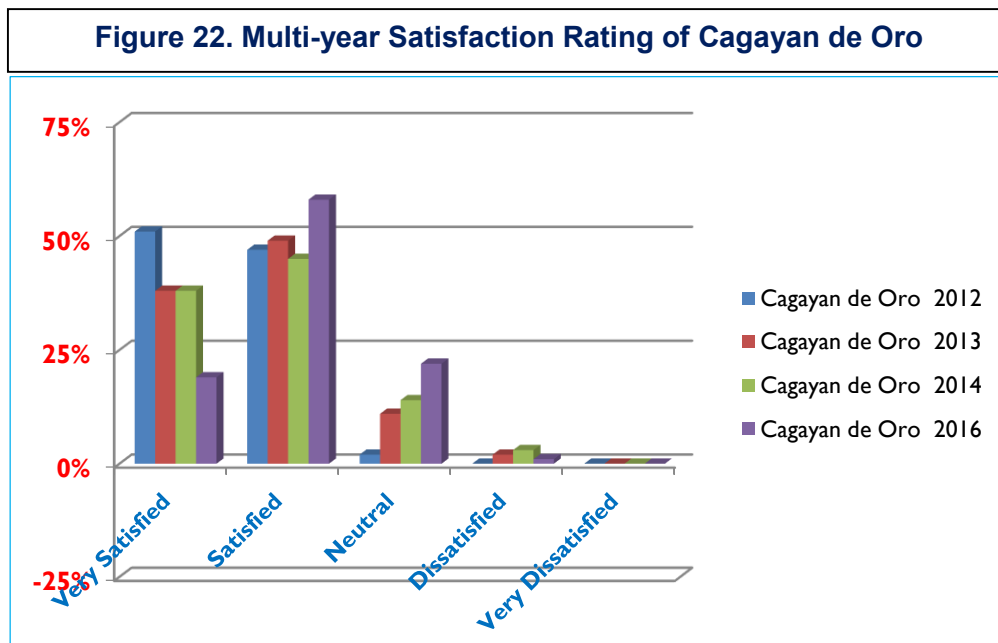
In Iloilo (Figure 21) respondents consistently chose “satisfied” over other responses from 2012-2014. In 2016, more respondents were satisfied than in 2014 but those who reported being very satisfied decreased. Fewer respondents than in 2014 reported being very dissatisfied.

Figure 20. Multi-year Satisfaction Rating of Batangas City





In CDO, the number of respondents who reported being satisfied increased to above 50% for the first time in the four-year period. Those who reported being very satisfied decreased to way below 25%, its lowest figure in four years. The number of respondents choosing the neutral response has been steadily increasing. Fewer respondents reported being dissatisfied than in 2014.



G. Inspections Process

Inspections are an integral part of business registration through express requirements by law, such as for fire and building inspections. Other inspections are those not expressly provided by national laws but which may be undertaken by LGUs. These include those conducted by health and zoning officials (USAID-LINC EG, 2011).

Across the six cities, only Batangas and CDO practiced post permit inspections for new businesses and prior inspections for renewing businesses. Thus, undergoing the inspections and complying with its requirements, with its significant time costs, is not required for the release of the business permit. Puerto Princesa, Tagbilaran, Iloilo and Zamboanga required inspections prior to releasing the business permit in the new business and renewal processes (for Puerto Princesa and Zamboanga). Iloilo and Tagbilaran do not conduct inspections during the period of renewal and thus do not make its conduct a requirement for the release of the permit.

Apart from Zamboanga and Puerto Princesa, there was no information from the other city reports as to whether the cities practiced risk categorization of businesses in determining which to inspect and which not to. It is also not clear whether the Zamboanga practice of inspecting only businesses categorized as high risk or based on the “familiarity of the inspector with the area and the type of business” (DAP sa Mindanao, Assessment Report of Zamboanga City’s BPLS, 2016, p. 24) is the product of formal policy or practice. Puerto Princesa exempts micro-scale businesses such as *sari-sari* stores from inspection.

Joint Inspection Teams. Except for Puerto Princesa and Zamboanga, all four cities had a Joint Inspection Team (JIT) operating, as authorized by an Executive Order and Ordinance except for CDO, that had a Memorandum signed by the Mayor. A JIT had been formally created in Puerto Princesa but it is not being implemented reportedly due to difficulty coordinating schedules.

In Tagbilaran, a JIT was tracked as it inspected 10 establishments. While a 5–member JIT composed of the BPLO, OBO, CHO, CPDO, and BFP inspected nine establishments, a key informant said that the JIT typically inspects “in two groups, one group composed of the BPLO, CHO and BFP while the other group is composed of the OBO and CPDO” (p. 40). Including the post evaluation conference with the business owner, the on-site inspection per establishment took 17 minutes. It took a week however for an inspection to be scheduled. The total length of time elapsed is defined as the total of on-site inspection time and processing time prior to and after the on-site inspections. For the establishments from the agriculture sector, this was 7 days, 1 hour and 35 minutes. For the establishments from the service sector, this was 7 days, 1 hour, and 28 minutes.

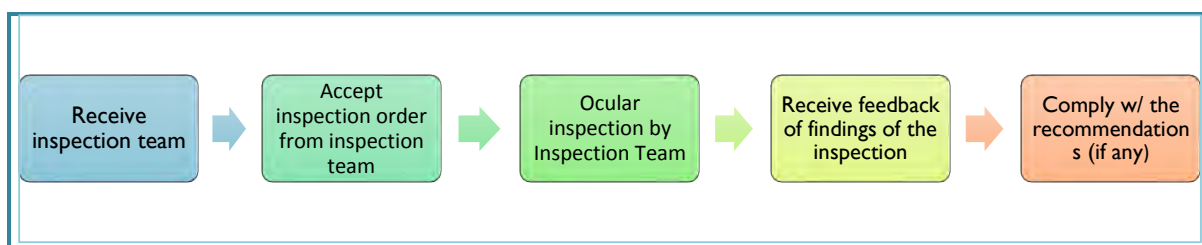
In CDO, when the CHO inspectors were unable to join, the inspectors from the Office of the Mayor checked on their behalf the health cards of all the personnel and the Sanitary Permit. In these inspections, notices of violations with or without penalty can be meted. The 10 new establishments inspected by the JIT all could not present the FSIC, prompting the BFP inspectors to say that they will schedule another inspection on their own but not meting any notice of violation. All had their business permits, however. In checking on the extent of compliance to safety and fire prevention, only one establishment was meted a notice of violation. The various offices seemed to have different standards for when to issue a notice of violation and when to impose a penalty. Including the post evaluation conference with the business owner, the on-site inspection took seven minutes.

In Iloilo, compliance to the regulatory requirements as determined during the on-site inspections is necessary for the issuance of the business permit. In the 15 establishments inspected, there was one inspector from each of the five offices that joined – the BPLO, CTO, CHO, CPDO and BFP. The BPLO leads and coordinates the JIT. For applicants who apply for a business permit from February to November, the inspections typically get scheduled in two days' time. Including the post evaluation conference with the business owner, the on-site inspection took 17 minutes.

Puerto Princesa's Inspections Process. The CHO, CTO, OBO and BFP require inspections and compliance to findings prior to the release of the business permit. Except for the CHO, the inspections have to be requested by the applicant/business owner to give him/her time to comply with the requirements of the offices prior to the on-site inspection. The city report noted that some applicants had to request repeatedly. In the applicants whose new businesses were inspected by CHO and/or the CTO, the on-site inspection took 14 minutes averaged across the two offices which conducted their inspections separately. (The city report did not present data by office.) There was no data for the processing time. For renewing businesses, the on-site inspection took 22 mins. while the processing time was one hour and one min. for a length of time elapsed of one hour and 23 mins. No inspection by OBO and BFP was tracked during the period of data-gathering. The city report noted that “clients were not provided with the right information ahead of time to ensure compliance of the business establishment vis-a-vis safety regulations and standards. This leads to re-inspections and could therefore add to delays” (Ymata, p. 40). BPLO and CPDO also inspect but conduct it prior to and after the business permitting process.

Zamboanga's Inspections Process. The OBO/CEO, CHO, CPDO and BFP require inspections and compliance to findings prior to the release of the business permit. In the three applicants who were tracked, the BFP deployed two inspectors per inspection while the CHO had one inspector. On average, the on-site BFP inspection took 36 minutes while the processing time was one hour and 2 minutes for a length of time elapsed of one hour and 38 minutes. CHO took 16 mins. on-site and 15 mins. for processing for a length of time elapsed of 31 mins.

Figure 23: The Inspection Process



Development Academy of the Philippines, p. 23.

Non-duplication of inspections conducted during the construction stage. Apart from the organization and conduct of JITs, the JMC advocated that inspections usually for compliance with zoning and environment ordinances, building and fire safety, health and sanitation requirements undertaken during the construction stage shall not be conducted again by the LGU as part of the requirements for business registration. Instead, inspections will be undertaken within the year after the issuance of the business permit. This was not the case for Puerto Princesa, Tagbilaran and Iloilo.

There are ten factors with which to assess the conduct of business permitting-related inspections (*A Guidebook for Local Governments on the Conduct of Business Friendly Inspections*, USAID-LINC-EG, 2011.) These are:

- a. Sufficiency of Statutory/Regulatory Basis – legal basis for any inspection that is conducted. Examples of this include a law or issuance adopted by the national government or its agencies within the scope of their respective authorities; and/or a local law or ordinance.
- b. Prior Inspection Notice – the provision of advance information given to the registrant as to when an inspection is to be conducted.
- c. Proper Authority – the provision for proper mandate or order to conduct the inspection.
- d. Proper Identification – the presentation of proper identification or the wearing of uniform to clearly identify the inspector.
- e. Client Representation during Inspection – the presence of the registrant or his/her representative during the conduct of the inspection.
- f. Use of Inspection Checklist & its Prior Disclosure – the utilization of a checklist showing the factors to be assessed during the conduct of the inspection and its prior disclosure to the registrant
- g. Duration of Inspection Time – the length of time from the start of the actual inspection to the time it is completed on site, excluding the writing of the report and the post inspection conference with registrant.
- h. Number of Inspectors – the total number of persons who conduct inspections.
- i. Post Inspection Conference with Client – the provision of a presentation of the inspection findings to the registrant.
- j. Inspectors' Qualification – education, training and background needed for a person to be qualified as an inspector.

Only Iloilo met all ten factors. In Tagbilaran, one of the ten factors were not present or were insufficiently complied with. There was no inspection checklist used. The city report had no data on the inspectors' qualifications. In CDO, four out of ten factors were not present or were insufficiently complied with. There was no prior inspection notice and no inspection checklist used; only some of the inspectors displayed IDs, and the authority for the inspection, which was a Memorandum signed by the Mayor, was not presented but was communicated in the beginning of the inspection. In Zamboanga, the city report had no data on whether there was client representation during the inspection and on the inspectors' qualifications. On the issuance of a prior inspection notice, the CHO conducts unannounced checks on food establishments. While the BFP and the CHO had inspections checklists, the report did not state whether this was disclosed beforehand. Otherwise, the rest of the factors were present. (The city report of Puerto Princesa did not present data for this assessment.)

H. Automated Features of BPLS

Of the six cities only Batangas, Iloilo and CDO had automated features accessible remotely on-line and on-site in City Hall. However, none of the processes are completely automated; that is, from filing of the permitting application to payment and receipt of the business permit.

Iloilo provides automated filing and assessment through its website www.loilocity.gov.ph and within that the BPLS renewal page. This is one of four tasks of the end-to-end process. Fifteen applicants' experience were tracked as they used the facility then completed the process on-site for the manual tasks of the process.

After accessing the site and the page, the sample typed in a “valid username and password, selected the Renew Business Permit tab, provided the access code to access the account and filled-in the Declaration of Gross Receipts fields, reviewed all the data in the DGR form, and clicked the submit button. A confirmation message was shown on the screen, indicating that the application was received by the city government and it is being processed. The (sample) received a message to check the status of the application within two days and that all other required documents shown be properly secured” (Central Philippine University, p. 21). Upon receipt of an email stating that the application was approved, one of the applicants in the sample accessed the site again the day following the application, printed the approved DGR and the attached Tax Order of Payment (TOP) which represents the assessment of business tax and fees. Applicants are also informed of disapprovals by email.

Besides the tracked sample, the city reports had data on the service as gathered from interviews with 17 on-line applicants during the renewal period. The sample reported taking 9.7 minutes (average) in completing and submitting the application form. It took the city government three (3) hours and 35 minutes (ave.) to respond to the application by providing the business tax and fees assessment, with a minimum time of two (2) hours and a maximum of eight (8) hours.

Payment is still done manually in the BOSS in City Hall. The city provided a separate priority lane for online payments. All 17 respondents who availed of the service intend to do so again next year and all said it could still be improved. Of the recommendations on how to improve it (multiple responses), 59% said it should provide “on-line payment and automated verification of records” while 18% said approvals should be speeded up with some remarking that receipt of the assessment to the following day “is too long” (p. 47).

III. CONCLUSION

The assessment showed that new business applicants and those renewing their permits in the cities of Puerto Princesa, Tagbilaran and Zamboanga go through lengthy and complex processes. The complexity arises from numerous tasks, an average of 19 across the two processes, that the applicant has to complete and undergo prior to release of the permit, including inspections. These tasks involve many national and local offices and is undertaken through manual processes. At a minimum of 13 days and seven hours (in Tagbilaran with inspections), the length of time it takes to legally start a business entails high opportunity costs for the business owner and investors. As a result, these cities do not comply with most of the national standards in processing business permits, particularly on the number of steps and standard processing time. In these three cities, the objectives of the processes are to enforce national and local regulations and rules and to collect business taxes and various fees. These objectives are met in a manner that ignores the value of the business owner and investors in promoting local growth through job creation.

In contrast, new business applicants and those renewing their permits in the cities of Batangas, Iloilo and Cagayan de Oro go through simple and facilitative processes. The simplicity arises from few tasks, an average of seven across the two processes, that the applicant has to complete. Applicants have to interface with a handful of offices, mostly local. The tasks include inspections prior to release of the permit only for Iloilo. The ease of the processes arises from a high degree of coordination among city and national offices as manifested in extensive use of backroom operations to lessen tasks with client interface, the availability of automated BPLS for key tasks, and the centralization of services in a BOSS beyond the renewal period, for Batangas and CDO. At a maximum of two days and three hours (in Iloilo with inspections), the length of time it takes to legally start a business entails low opportunity costs for the business owner and investors. As a result, these cities comply with and surpassed most of the national standards in processing business permits, particularly on the number of steps and standard processing time. In these three cities, the objectives of the processes of regulatory enforcement and revenue collection remain but the gatekeeping role is kept at a minimum to the purview of business permitting and to as few national offices and level of government as is required. These objectives are met in a manner that recognizes the value of the business owner and investors in promoting local growth through job creation.

IV. GENERAL RECOMMENDATIONS ACROSS THE CITIES

1. The six cities should aggressively pursue local and foreign investments into their jurisdictions. This strategy should be adopted as policy and implemented through operational streamlining, regulatory simplification, effective business mapping operations, and targeted investment promotion. Operational and regulatory simplification that lower the costs of entry, and investment promotion, are three factors that are necessary in attracting investments even as they are insufficient.

Once such a strategy is articulated by the city mayors, it should be cascaded to their city governments including the legislative councils but particularly to the heads of the regulatory offices. Situating the business permitting process and its attendant inspections process within an investments strategy would provide a counterweight to the manifest objectives of the business permitting process of regulatory enforcement and revenue collection. It will support the balancing of the inherently competing duties of the city government of creating an enabling environment for investments and enforcing regulations. The city governments should view both goals as contributing to the local governments' attainment "of their fullest development as self-reliant communities and as effective partners in the attainment of national goals" (Local Government Code, p. 1).

2. At the operational level, this desired change in mindset can lead to reduced steps over-all by eliminating those tasks and procedures of city and national offices, respectively, that are being enforced through the business permitting process even though the procedures are distinct from business permitting. Examples of these are the real property tax collection of arrears and the clearances of NGAs like the SSS, Philhealth, the Police and PAG-IBIG.

Batangas City provides an alternative where all parties benefit – the city government, SSS and local citizens. It has assisted SSS on their enforcement duties by providing a list of those with delinquencies before the renewal period but eliminated this step from its 2012 process. The city makes space available in the BOSS for SSS, making this procedure convenient to undergo for local citizens. Thus, the SSS clearance is not required for the business permit but the SSS is assisted in its monitoring duties. Information-sharing beforehand between NGAs and the cities and across city offices is a solution to the steps dedicated to these purposes. Applying this solution to the renewal process can eliminate four (4) steps from Puerto Princesa, three (3) from Tagbilaran, and three (3) from Zamboanga. From the new business process, it can eliminate four steps (4) from Puerto Princesa, one (1) from Tagbilaran, and one (1) from Zamboanga.

3. The six cities and their legislative councils should begin reviewing their local regulations to determine which are still effective and necessary in meeting the purposes for which it was legislated and on how best to meet its objectives. Regulatory simplification should proceed within the context of the complete business life cycle; that is not just the business permitting phase but even earlier at the construction phase. Doing so would reduce redundancies in regulations and rules.

In Batangas City, for example, two zoning clearances are required in two different phases of the business cycle – during the construction phase and again at the business permit phase. While the city has eliminated this step from its business permitting phase, it did so by requiring it during the Occupancy Permit procedure, thus simply transferring the step. It cannot eliminate it altogether because it is backed by local ordinance. Regulatory simplification would ultimately focus the spotlight on the issue of land use and its sound planning, or the lack thereof.

4. The three cities of Puerto Princesa, Tagbilaran and Zamboanga should pursue operational streamlining through process improvements. A proven approach is the one that SURGE has planned for the cities – a study tour to learn of good practices followed by a self-assessment workshop for the process improvements. In this workshop, each cities' BPLS team will use the information generated by this assessment and the inputs of experts and peers to set their own vision and targets for their BPLS, streamline their processes, and create the action plan towards implementation for 2017.

These cities should seriously consider adopting and implementing the model of Batangas City in linking up the business permitting phase with the construction phase so that enforcement of regulations are not duplicated. The model is inspired from the best practice case of Singapore which the Batangas leadership set as its vision in its first self-assessment workshop in 2012 and boldly pursued since. There are a number of operational improvements that the three cities can adopt from Batangas City. The use of a list of “positive findings” on businesses with delinquencies from the previous year is a relevant one for two of the cities since their process entails many “pre-processing business permit” tasks to “catch” such applicants. Using this can eliminate from their renewal process three (3) steps from Puerto Princesa and one step (1) from Tagbilaran.

5. As Batangas, Iloilo and CDO did in 2012, the three other cities should apply the JMC prescriptions, which came from good LGU practices, and supplement this with more recently-tested solutions.

The following are the possible results when particular process improvements are applied:

5.1. Conducting inspections prior to the renewal period can eliminate four steps (4) from the renewal process of Puerto Princesa and at least three (3) from Zamboanga; Conducting inspections after the release of the new business permit can eliminate four steps (4) from Puerto Princesa, one (1) from Tagbilaran, and three (3) from Zamboanga (these are minimum numbers as it excludes getting each office's clearances after compliance to inspection findings);

5.2. One-time assessment can eliminate one step (the fire fee) from Puerto Princesa, one (the fire fee) from Tagbilaran, and three (3) from Zamboanga from their renewal and new business processes;

5.3. One-time payment can eliminate the same number of steps as with assessment (5.2);

5.4. Implementing backroom operations with automation for the renewal process can eliminate three steps (3) from Puerto Princesa, two (2) from Tagbilaran, and five (5) from Zamboanga;

5.5. Organizing and conducting JITs can eliminate three (3) steps from Puerto Princesa and two (2) from Zamboanga from their renewal and new business processes; and,

5.6. Implementing the Unified Form for the renewal process can eliminate two (2) tasks from Puerto Princesa, six (6) from Tagbilaran, and six (6) from Zamboanga; For the new business process, it can eliminate two (2) tasks from Puerto Princesa, one (1) from Tagbilaran, and three (3) from Zamboanga.

6. Even as all six cities should pursue cooperative and effective working relations with the BFP local offices, SURGE should continue past USAID efforts at the national level to reduce the complexity that BFP procedures in assessment, payment and conduct of inspections add to business permitting operations. The recent decision of the Ombudsman to file a case against officials of Valenzuela City in the case of the business permit of Kentex Corporation seems to have led to the return of the conduct of inspections within the business permitting phase in Iloilo City and maybe to the return of the payment of the fire fee as a stand-alone step in the process of CDO. Yet, there are good practices of LGU-BFP arrangements where both parties' policy objectives were met in a way that kept the process simple for the applicants.
7. Along this line, SURGE together with other development partners should support the government's thrust towards regulatory simplification. Given the new government's pronouncements on instituting FDI-friendly policies and cutting red tape in services, there may even be a window of opportunity in legislative reform in the new Congress.
8. The four cities of Puerto Princesa, Tagbilaran, Zamboanga and Iloilo should operate a permanent, year-round BOSS. Conceptually a BOSS is meant for new businesses since centralization of services in one location can significantly reduce the length of time spent that the business cannot begin operating. New business applicants in Puerto Princesa and Zamboanga appreciated the convenience the BOSS provided such that they processed their applications during the renewal period despite being told that they would have less priority than renewing applicants. BOSS operations during the renewal period may explain the high satisfaction ratings across Puerto Princesa, Tagbilaran, Zamboanga cities despite multi-step processes.

For cities that are concerned about the low usage that the BOSS may experience if year-round, BOSS models that effectively combine business permitting with investor promotion services can be adopted.

9. BPLS automation is a necessary solution to the lengthy and complex processes. The elimination of steps and the drastic reduction in waiting and transaction time indicators in Batangas, Iloilo and CDO as compared to their non-automated processes in 2012 was only possible with automation. The three cities of Puerto Princesa, Tagbilaran and Zamboanga should streamline then automate. They can look to the CTO kiosk and the automated payment of CDO as models to study for adoption. The effect of automation on the number of required documents that applicants have to bring can bring is significant, as shown in CDO, Batangas and Iloilo.

As for the cities of Batangas, Iloilo and CDO, fully automating the process can address congestion problems during the renewal period. It should also begin automating the new business process. Additional payment options like through the banks nearest to them can be studied so that after on-line filing and assessment, applicants can have an alternative

to paying in City Hall or through G-cash and mobile money. While the BFP is zealous on its direct collection of the fire fee, the option of paying even this through the banks should be studied and considered. Efforts to increase usage of the on-line service include more aggressive marketing and training by the cities. Requiring it to certain size of businesses like medium and large businesses should be considered even as on-site processes are maintained for other applicants. This is similar to the model of Singapore where on-line BPLS is coupled with physical Citizen Connect centers. Considering its processes are fairly streamlined, it is in specific problems or opportunities like automation where the next wave of assistance can be channeled.

10. The cities of Puerto Princesa and Zamboanga should adopt the use of Joint Inspection Teams. It will reduce the length of time business owners spend on inspections and it can promote transparency and monitoring on the execution of proper inspections practices. Pooling resources through the JIT will also be an efficient use of public funds and may improve offices' ability to conduct inspections. The scheduling procedures of Puerto Princesa and Tagbilaran must be improved to shorten waiting times for the on-site inspection and to inject predictability in the case of Puerto Princesa, where applicants reportedly had to follow-up for the conduct of inspections.
11. SURGE should assist Batangas City in streamlining its construction and occupancy permit processes, as its BPLD officer has expressed. During the renewal period, a number of applicants had to address requirements from these phases that were needed in the business permit phase. Observations of these instances showed room for streamlining to lessen waiting and transaction time indicators. SURGE assistance in this area is anyway planned for.
12. Local chambers have an important role to play in monitoring and advocating the sustainability of reforms. The motivation to do so may be strengthened if the push comes from the national chambers. While the previous technical assistance under INVEST thought civil society groups could also be tapped for this role, strengthening the weak voice of citizen demand for improved services requires much effort and time.

City-specific recommendations by the sub-contractors and consultant are provided in Part 2 of this Report.

PART 2: CITY –SPECIFIC RECOMMENDATIONS

Puerto Princesa City (Ymata, Glenn, May 2016)

On the Process:

1. Streamlining by Elimination - Eliminate tasks, steps or requirements for the filing of business permit application that are not listed in the joint memorandum circular of DILG and DTI. Per JMC, there shall be maximum of FIVE (5) STEPS for securing business permits whether renewal or new. While asking clearances or permits from the clients/applicants different regulatory/operating offices maybe valid and were instituted for purposes beneficial to the LGU, they SHOULD NOT form part of the requirements and steps in securing business permit. This is so for three major reasons:

- a) *The JMC has already enumerated the requirements¹³ in applying for business permit whether new or renewal;*
- b) *Ensuring compliance to regulatory standards, safety and other policies defined by the LGU should come before the renewal period. If the same was made possible during the whole year-round period of monitoring of businesses, the renewing businesses have already complied with the general and LGU requirements;*
- c) *Local policies (Sangguniang Ordinance or Resolution, Executive Order, etc.) cannot impose requirements for issuance of business permit other than those provided by the national laws (Sanitary Permit, Occupancy Permit, etc);*

Moreover, procedures that may warrant step(s) or task(s) to be performed by the clients such as getting Claim Stub, applying for PIN, geo-tagging, getting Queuing Number, approval for assessment/ application, submission of photocopy of documents must be also avoided to streamline BPLS.

2. Streamlining by Merging–Assessment taxes, fees and other charges that may be imposed by different offices and its payment procedure may be lumped together into two steps only. The JMC provides for one-time assessment and one-time payment for business permit applications. For this purpose, the JMC encourages and allows LGUs to enter into special arrangements or formal agreements with other offices most especially with national government instrumentalities or attached agencies.

On Specific Operational Issues that Surfaced in the Study:

To ensure streamlined BPLS process is observed during actual application, there is a need to address several operational issues that surfaced in the study. The following are measures designed to address operational issues for this purpose:

Minimize Interface - A contact between any LGU personnel and client during business registration usually entails a step or task to accomplish. Eliminating interface is another way to further streamline the BPLS of Puerto Princesa. Securing Application Form from a BPLO staff is a very

¹³Unified Form, Barangay Clearance, and Basis for Computing Taxes, Fees and Charges for Renewal Applications; or Unified Form, Barangay Clearance, DTI/SEC/CDA Registration; Occupancy Permit; Location Map; and Contract of Lease for New Business Permit Applications

simple task but because it involves physical interface, it becomes a step of the entire process. Making business permit application readily available and accessible anytime and anywhere could eliminate this step. This can easily be done having the AF in downloadable format on LGU's existing website or printed forms that clients can find in strategic locations such as banks, barangay halls, offices of national agencies, etc.

Asking the client to come or submit his/her application for assessment of taxes and fees in between "Filing" step and "Payment" step is unnecessary interface and therefore a step that can be avoided. Looking closely into the BPLS of Puerto Princess, the assessment is actually a step internal to the LGU. The only role of the client here is the transmittal of application documents from the step that preceded it to the assessing officer. Making this a backroom process simplifies the business registration.

Limiting the number of interfaces can also be done the following manner:

- a. *No More Getting Claim Stub* - The purpose of the Claim Stub system in Puerto Princesa BPLS is to prompt regulatory offices to process the client's request for clearances or permit because corresponding fees have already been paid. In addition, the Claim Stub contains the breakdown of taxes and fees, it is then used for determining the FSIC fee by the BFP. In both cases, there are alternative ways of achieving the purpose even without the Claim Stub.
- b. *Pre-generated PIN/Queuing Number* - Assignment of PIN for each business establishment through system generated PIN. Also, sequence number maybe assigned for each application accepted instead of asking the clients to get queuing numbers.
- c. *On-site Geo-tagging* - Geo-tagging by LGU staff during inspection of business establishments. This will also ensure accuracy on the location of business establishments compared to current practice of client pin-pointing the site on the LGUs GIS.
- d. *Business Identification Number as Queuing Number* - During the business registration period the BIN assigned by the BPLO for each establishment can be used and the manner of processing applications should be on first-come-first-served basis.
- e. *Automatic Approval for Assessment* - Once regulatory and other requirements were filed and/or approved, the application should be deemed approved for assessment. No need to get signature from BPLO staff for approval.
- f. *Copying of documents*— This should not be the Client's Responsibility. Since having extra copy of any particular document for whatever reason is of the LGU or BFP's use, then the responsibility of reproducing documents should be taken out from the applicants.

Information and Education - Any simplified or streamlined process is ineffective if users don't know everything about the BPLS and its processes. Both service providers and users must have and understand fully all the information needed. Devise mechanisms that would ensure complete and consistent flow of information through conduct of trainings, seminars or orientations for both service providers and users, printing Business Registration Kits or Manuals for different types of users, making information adequate and accessible, and many more.

Maximization of I.T Technologies and Platforms

Computer-aided Process and Automation - A major cause of delay in processing the application is because LGU is doing it manually. For instance, the retrieval of applicant's records from the LGU files is no longer proper with the advent of electronic record keeping and retrieval features of office computer systems. Also, why bother checking and recording the computer generated information during the assessment and payment when such information can be automatically

uploaded to the database of the offices requiring them? Do this simply by sharing and integrating computer systems of different offices.

On-line Pre Processing- Even before the actual registration or physical interface takes place, some tasks could be processed thru on-line to save time and avoid client from multiple visits. This would also enhance the readiness of business applicants for registration proper. Using the self-assessment platform that can be embedded in the LGU's website, businesses can initiate assessment of their application. The features include providing on-line users of what-to-do's, and what's needed as well as computing for taxes and/or fees beforehand by just inputting the required information. It is easier and simpler if the web-based program could accept application right there and then. More convenient for the clients as well if payments can be made on-line utilizing web-based payment facilities, on-line or manual banking, payment over phone, payment at accredited establishments, etc.

On Inspection:

Generally, Puerto Princesa's Inspection Policy can be improved reactivating the LGU's Joint Inspection Team. The offices concerned must conduct inspections jointly because practical considerations are met but rather as a matter of policy. Second is to create a structure and coordinating mechanism that are acceptable and sensitive to each office's situation, mandates, and operational protocols. Identify and designate permanent members of the JIT, determine the membership structure with corresponding roles and responsibilities, formulate inspection policy guidelines and manual of operations of the JIT, develop inspection program and action plan. It may be helpful if the JIT can be constituted one distinct operating unit that is attached directly to the BPLO. Making JIT as one functional unit under the BPLO would enable the LGU to provide the much needed human, technical, and material resources.

As regards to inspection policy and procedure, it would be to the best interest of the clients without compromising the mandate of the LGU for the promotion of standards and strict enforcement of safety regulations, the following best practices contributes towards having an inspection policy more effective¹⁴:

Sufficiency of Statutory/Regulatory Basis – presence of a legal basis for any inspection that is conducted. Examples of this include a law or issuance adopted by the national government or its agencies within the scope of their respective authorities; and/or a local law or ordinance.

Prior Inspection Notice – the provision of advance information given to the registrant on the schedule of the inspection.

Proper Authorization – the provision for proper mandate or order to conduct the inspection.

Proper Identification – the presentation of proper identification or the wearing of uniform to clearly identify the inspector.

Client Representation during Inspection – the presence of the registrant or his/her representative during the conduct of the inspection.

¹⁴Guidelines in Implementing the New Standards in Processing Business Permits and Licenses in All Cities and Municipalities in the Philippines

Use of Inspection Checklist & its Prior Disclosure – the utilization of a checklist showing the factors to be assessed during the conduct of the inspection and its prior disclosure to the registrant.

Reasonable Duration of Inspection Time – the reasonable length of time from the start of the actual inspection to the time it is completed on site, excluding the writing of the report and the post inspection conference with the registrant.

Right Qualifications and Number of Inspectors – Inspections are conducted by professionals with commensurate education and training. The total number of persons who conduct inspections should not be too many.

Post Inspection Conference with Client – the provision of a presentation of the inspection findings to the registrant immediately after the conduct of actual site inspections.

On BOSS Operations:

- a. Regularize BOSS Operations – Capitalize on the positive gains of BOSS by regularizing its operation to decongest and accommodate more applications. This will encourage prompt applications as well. Making BOSS Operations regular would entail setting up a permanent BOSS Facility but not necessarily as big as the LGU currently has. The size of BOSS and its system of operation including staffing requirement should be based on the demands of its client, the LGUs goals and targets as well as the manner by which the BOSS is programmed to run.
- b. Institutionalization of BOSS Operations – Develop and implement BOSS Operations Manual. Formalize through policy issuance anchored and consistent with national laws and executive issuances including that of Puerto Princesa’s policies.
- c. Make Resources Available for Maintaining the BOSS – Make sure sufficient resources are afforded to maintain BOSS operations. Resources also include human and technical assets. A BOSS supported with adequate resources will pave the way for effective service delivery and will encourage more applications.
- d. Periodic Monitoring and Assessment of the BOSS – There should be periodic monitoring and assessment of BOSS operations based on the goals and targets set by the LGUs and how it is expected to function. Doing so helps the LGU in finding out operational issues and problems at early stages or while the problems are still manageable. Monitoring and assessment also enables BOSS key personnel. The information from generated from the monitoring and assessment processes serve as guide and basis in defining solutions and arrive at sound management decisions.

Tagbilaran City (Espiritu, Ma. Paz ; Narca, Marijoe. Center for Local Governance, Holy Name University)

1. There is a need to limit the number of steps to be consistent with what is prescribed by the JMC. This can be done by removing steps that do not concern business permitting but are included to enforce compliance such as RPT and PNP/CTMO.
2. All agencies and offices involved in the BPLS should be housed at the BOSS. The City government should improve the physical structure of the BOSS so that the transfer of the CTO to the BOSS will not jeopardize the safety of the City's coffers. The Office of the Fire Marshal should also be transferred to the BOSS.
3. The JIT should conduct the inspection together as one group to establish proper coordination among the offices involved to relieve the applicants from being visited for more than once by the city inspectors.
4. The present JIT membership should be expanded to include representatives from the CTO and the City Environment and Natural Resources.
5. The inspection to check compliance with all the requirement standards should be done within the year after the issuance of business permit to shorten its processing time.
6. A unified form should be used by the city to reduce bureaucratic red tape.
7. The Bureau of Fire Protection should enter into a MOA with the city to implement streamlined procedures for assessing and paying fire code fees.
8. Regular customer service skills training should be given to the frontliners.
9. Creation of a centralized electronic database of businesses that will be used by offices involved in the BPLS.

Specific Operational Issues

1. The city should provide the applicants an official copy of the inspection checklist so that they can comply with the requirements before the actual inspection is made.
2. Additional personnel during peak period especially at the BFP and CTO to hasten processing may be provided.
3. Applications submitted during the day should be processed promptly (within the day) so that the current processing time will be reduced.
4. Massive information drive (radio ads, leaflets, posting in the city's website, brochures, etc.) regarding the requirements and steps of filing business permits and licenses even before the filing dates in January should be conducted. The information drive will give the applicants a chance to prepare the requirements and even the money for fees.
5. Published process steps (including tarpaulin) should use the vernacular.
6. The BOSS area should have good ventilation, adequate chairs in the waiting area, television sets and reading materials, photocopying services, and audible paging system.
7. Notary service that is not done by a city hall employee or an elected official has to be provided.
8. Regular customer service skills training should be given to the frontliners.
9. Suggestion box should be provided in the BOSS area.

Zamboanga City (Cuyugan, Cesar, Marchan, Arnel. Development Academy of the Philippines sa Mindanao)

1. A review of the process should be done to determine the interfaces that can be shortened or removed or transferred to a backroom operation. This may also need connectivity of the databases of the different offices in order to get verification without the need of actual customer interface.
2. The use of a unified form and simplified verification will also reduce the number of signatories. There may be some policy reforms needed to implement this recommendation.
3. A system for one-time assessment and payment should be studied to ensure that the computation for the fees and charges of the different offices are available and can be done by the assessing officer. This can either be a manual backroom assessment or a computerized system. Fees and charges can be programmed in the assessment so that it is automatically computed and included in the assessment at CTO.
4. Agreements with the National Agencies (PhilHealth, SSS, PAG-IBIG, and BFP) to authorize the City Government to collect the payments from the business applicants may be done if it is allowed under the rules of the agency. This will not only reduce the payment process but may even earn some revenues for the city from the incentives of the agency to its collecting agents.
5. For the concerned National Agencies, the agency can prepare an alphabetical Negative List (List of businesses with arrears) and if the business or applicant is not on the list, then verification or certification can be given immediately, this will work even if online verification is not possible.
6. Compliance with the JMC requirement for Joint Inspection Teams should be explored again with the strengthening of coordination between the inspection offices mandated. To this end, the development of inspection checklists may be done to facilitate the inspection process for both the inspectors and the business owners.
7. Inspection by zone or area can also be done to detect non-compliant establishments and even unregistered or expired business permits.
8. The present venue of the BOSS limits the type and number of amenities that can be put in place for the applicants. A bigger, more spacious venue should be explored.
9. The concept of the BOSS can still be improved, however, the location will limit the options that can be done to improve the process. Therefore, the possibility of locating the BOSS in another site must also be studied in order to implement more improvements.
10. On Customer Satisfaction, the business sector should be involved in the planning and conduct of the Procedural Reforms or streamlining process as they can best express the difficulties and hindrances that the sector encounters in getting and renewing their business permits. This involvement will also allow the business sector to know what to expect in the process, and thus, they will be able to assess better the quality of services that they are receiving from the government.

11. As suggested by the representative of the HDMF (PAG-IBIG) during the validation meeting, a session on Team Building and Mind-Setting for change readiness should be conducted to make sure that all the concerned offices are on the same page prior to the actual streamlining or procedural reform process. This can also include the emphasis on the policy context of the initiative.
12. The assessment of the current system of the city as to its readiness for computerization should also be done prior to the procedural reforms to establish which processes are already E-ready and which processes still need to be reformed manually in preparation for the computerization.
13. A benchmarking activity or Study Tour to a city with similar conditions as Zamboanga but has improved systems may also be done in order to induce the desire for improvement. This activity should include not only the key personnel from the concerned offices but also representatives from the Business Sector and Civil Society Sector.

Iloilo City (Penetrante, Mary, Mucho, Lenny Rose, Castigador, Dimpna. Central Philippines University, May 2016)

1. Renewal Process

- a) To further streamline the on-site renewal process, the tasks of getting the FSIC, checking and verifying the required documents, waiting to claim the TOP, and payment of taxes and fees (which contributes about 86 percent to the total processing time) should be considered in designing the BPLS improvements.

Among the best practices in minimizing the processing time in securing the FSIC is the use of positive or negative list of applicants with approved/disapproved FSIC during the renewal process. This could be in the form of a digitized or had copy list available to verifiers and assessors in Step 1 of the BOSS. This approach can also be adopted in securing barangay clearance.

Among the best practices in minimizing the time spent in checking or verifying the documents, assessing taxes and fees and in computing taxes and fees is through modernizing BPLS technology. The BPLS computer system should be fast enough to facilitate real-time records retrieval using a single input record identifier like barcode to minimize user inputs, performs accurate computation of taxes and fees based on a pre-defined criteria such as business classification, type, size (these data can be derived from the barcode), and in generating reports. The system should support multiple-users access to accommodate multiple transactions.

- b) To shorten the waiting time for the approval of the on-line application, and waiting time in the payment area of the BOSS, (about 84 percent of the total processing time for on-line renewal application), the on-line system should be capable of providing response to the client in less than an hour and has on-line payment function. This could be done by integrating the on-line system of the city with the on-site system to facilitate data sharing and processing and in partnering with third party e-payment service provider to facilitate on-line payment.

The use of integrated (on-site/on-line) computerized BPLS system would enable the city government to address the feedback of the applicants on slow processing especially in the payment area, crowded BOSS area, long queuing lines, and issued queuing not accommodated on the same day.

2. New Application Process

- a) Most of the time spent in applying for new business permit is in securing documentary requirements from the national government agencies (securing DTI/SEC/CDA certificate is 36 percent of the total processing time; BIR certificate is 43.0 percent of the total processing time). To shorten these processing times, the DTI/SEC/CDA/BIR should also streamline their processes to complement the streamlining initiatives in the local government offices. With this perspective, each of these agencies should consider the possibility of data sharing and cross-checking client compliance/non-compliance to government regulatory requirements. This will greatly impact the efficiency of delivering services to the public.

3. *Inspection Process*

- a) On the average, it would take 19.5 days to have the business establishment inspected by the city government. In business terms, this means opportunity loss. One major reason why this is so is due to the limited personnel to conduct the inspection during the renewal period. The core staff for the renewal process are also the ones for on-site inspection.

The adoption of an integrated computerized BPLS will also address this problem. On-line processing would lessen the staff requirement, faster processing would increase the number of transactions processed per day (both on-site and on-line) thus accommodating more in less time, more staff will be available to do the inspection even during the renewal period.

To further shorten the processing time after the inspection process (on the average, 2 days) and to minimize the use of papers, integrating the JIT processes in the BPLS system is recommended. There are available hand-held devices in the market that can handle the processing of transactions from the field and automatically saves this information into the main database.

- b) One cause of delays in the conduct of the inspection, is the condition of the service car. To ensure the safety and convenience of the inspection team as they travel from one establishment to another, a service car that is in good condition and can comfortably accommodate at the least five persons is needed. Studies have shown that being comfortable while working improves employee motivation and performance.
- c) Continues training and skills enhancement among the JIT members will also encourage more participation from the employees to join the JIT.

4. *BOSS Operation*

- a) Feedback from the applicants with regard to the slow processing, crowded BOSS area, long queues, and queuing numbers issued not accommodated within the same day can be addressed through the adoption and proper implementation of an integrated (on-site/on-line with e-payment) computerized BPLS system. As the transaction processing becomes faster, there will be less queuing, the flow of traffic can be properly managed.
- b) To enhance the operation of the BOSS, the flow of traffic and client interfaces should be considered in reviewing the process-layout. As observed, the applicant, upon entry in the BOSS area, usually approaches the information desk which is positioned on the left side of the room, to get some information. Then the applicant will join the waiting line for Step 1 in Window 1 which is situated on the right side of the room. The moves to Step 2 in Window 2, on the left side of the room and to Step 3 in Window 3 on the right side of the room. The waiting area, by the way, is in the middle of the room. This process lay-out may be suited for system serving few number of clients and has queuing system in every step of the process.

Among the best practices in BOSS management is the process lay-out that minimizes multiple traffic entry, interface of applicant with the staff, multiple applicants surrounding the working staff, need for process information, and cutting of queue lines to move to the next step. The city may consider positioning the information desk near Step 1 which should be positioned near the entrance door for visibility, Step 2 as back room operation to Step 1 (no client interface, no need for a claim stub), and Step 3 in its current position. In total there will be two steps: Step 1- Verification and Assessment, the output is TOP, and Step 2 – Payment and release of business

permit. Lanes for senior citizen, PWD, pregnant women should be in each step as well as queuing numbers.

- c) On the feedback of the determination of annual gross sales (use of Presumptive Income approach), the city should find ways on how to properly capture business information that could help in determining the annual gross sales of business establishments. There are various inspections conducted on a regular basis by the various divisions of the city government and the data captured during these inspections could be of help in determining gross sales.
- d) Despite the aggressive efforts of the city government in disseminating BPLS information to the public, there are clients that need more assistance in getting information. To guide these clients, a step by step direction signages should be made visible especially during peak period when the BOSS area is thickened with people.

Cagayan de Oro City (Figueroa, Elizabeth; Duraliza, Lilia; Ogatis, Michelle; Palarca, Aldrich. College of Business Administration, Capitol University)

Business Renewal Process

1. For the manual renewal process, the BPLO may dispense with the use of the ½ sheet of paper which is labelled Application Form wherein the only data required are the: Name of the Business Owner, the Business Permit Number and the Business Plate Number. The applicant or his representative may go directly to the CTO kiosk and key in their Business Permit Number to access an online assessment thereby cutting the process of filing out a form.
2. The BPLS officials should fully implement the planned end to end online business registration and promote a paperless transaction with the inclusion of the Fire Fee in the G-Cash payment scheme.
3. Except for the acquisition of barangay clearance (where barangay differs in the processes observed), the only interface between the applicant and the BPLS personnel should only be when the applicant claims the business permit with the sticker. The advantage of this streamlining is faster and more convenient renewal processing from the point of view of the applicants. The LGU can also benefit from this by requiring lesser resources during the renewal period.
4. Satellite BOSS(s) offices should also be added in order to reduce volume.

Inspections

1. A ready checklist should be made and brought to business establishments during the conduct of the inspection.

Other Observations

2. If possible, representation may be made to the national office of the Bureau of Fire (BFP) for the adoption of a mobile / online payment of the Fire Fees.
3. Provide the Joint Inspection Team with appropriate Budget Allocation.

Specific Operational Issues that surfaced in the study

Business Renewal and New Permitting Process

1. Wide dissemination of information relative to the availability of the on-line assessment and payment of business taxes should be done to maximize utilization of the facility. Some incentive such as 5% discount for online processing may be explored.
2. To maximize utilization of the existing on-line infrastructure for tax assessment and payment through G-cash, an intensive information caravan must be initiated by the local government of Cagayan de Oro for widest dissemination of such facility considering that as observed, only a few are aware of its existence.
3. A webmaster aided by the IT staff may establish a link of the portal of Cagayan de Oro City to the email and social network accounts of the business registrants as part of database management so that any and all communications needing widest dissemination to all stakeholders, most especially the taxpayers may be forwarded and spread easily anytime of the day.
4. The portal of Cagayan de Oro City may be made interactive for the constituents to raise some their issues and concerns which in turn must be addressed appropriately by the LGU of Cagayan de Oro.

5. There should also be a more intensive information dissemination relative to the extended processing time of business registration (up to midnight) and day (including Saturday and Sunday) so that the general public may know. Had this vital information been disseminated, the bottleneck in the processing time would have been reduced.
6. As the payment to the Business Tax Office, windows bears the highest time elapsed, we would like to suggest that City Treasurer Office should increase the number of cashiers who would accept payment for the business taxes during the renewal period.
7. It was also observed that there was no table or counters provided for the applicants to utilize while they are filling up the form. Even if the application form takes a very short time to fill out, there should be a place where applicants can comfortably write the information required.
8. To address the concerns on unfair business bracketing as shown in Table 27, the CTO must revisit the basis for the bracketing and zoning classification which shall consequently be explained to the concerned taxpayer during actual ocular inspection.
9. For the peak days, registration period, additional chairs should be added to cater to the increased volume of applicants during this time.

Inspection Process

1. There should be sufficient budget allocation to fully cover composition of the Joint Inspection Team vis-a-vis the growing number of business establishments in Cagayan de Oro City.
2. All business establishments through either the owners or his /her representative should be provided with a list of requirements during the registration period for compliance purposes.
3. Conduct of inspection must be done regardless of whether the business was classified as high or low risk and even with the absence of complaints from the consuming public to ensure full compliance to legal requirements of the city government and ensure a higher level of client satisfaction.

Business One Stop Shop (BOSS)

1. The BOSS office must be relocated to have a more spacious working area and customer waiting lounge with a restroom within the BOSS.
2. To make the process more systematic, large monitors like the ones in the CTO may be installed for the queuing numbers and infomercials to be flashed.
3. More chairs may be added to cater to the influx of people most especially during peak days and last day of registration.
4. The BOSS may also be reconfigured mainly for ergonomic purposes.

Batangas City (Sheryl Peral and Mayet Patag)

While the existing BPLS system of Batangas City is highly streamlined, this can still be much improved and the city will benefit from a number of short term and long-term reforms on the following areas:

1. *New Application and Renewal Process*

- a. In 2015, the city government launched the Building and Occupancy Permit One-Stop-Shop (BPOSS) for the pre-registration processes which houses all concerned departments related to building-permitting such as the City Engineer's Office, City Planning's Zoning Office, Environment, Veterinary and Agriculture, and the Bureau of Fire Protection. However, the manual processing of the CEO causes buildup especially during renewal period. To speed up checking of non-compliances, BPOSS should be integrated and connected with the BPLS BOSS system particularly on information-sharing since its task is basically the same as the tasks done in the backroom operations of the BPLS BOSS which includes verification of compliance to city regulations and which when found compliant, the corresponding certificates are issued together with the business permit.
- b. Adoption of additional modes of payment such as online payment facility thru credit card or electronic banking or other e-payment platforms as well as other options of payments.
- c. Intensify the city's information, education and communication (IEC) campaign on the availability of online registration process for renewals and electronic payment of business fees such as mobile payment thru G-cash and most recently the availability of cashless payment option with the use of ATM Card/Debit Card via Point-of-Sale-Facility at the City Treasurer's Office for the payment of real property tax and other business fees. This will help micro enterprises, such as sari-sari store owners, market owners, and farmers who will no longer need to travel to city hall, thus saving time and money.
- d. Establish a system to integrate the BFP process in the city's BPLS database system particularly on data capture, verification and fee assessment.
- e. Although the city government has an existing BPLS Operations Manual developed in 2014 by the City INVEST Project Technical Working Group (CIP-TWG), inclusion of the BPOSS operations as reference document to guide the city department heads and frontline service personnel of concerned departments and offices would be useful in effectively performing their functions in business registration and building and occupancy permitting.

2. *Business One-Stop Shop*

- a. In the backroom operations, the processing of documents could be facilitated more efficiently if the processing agencies' (CHO, CENRO, BFP, etc.) physical location (desks) are based on the sequence of business registration steps.
- b. The layout should follow a well-designed process flow & its frontline personnel equipped with microphones that automatically shut off when one is in use to call out to applicants in an orderly manner. There should also be more microphones.

3. Inspection Processes

- a. To make inspections more efficient, the Joint Inspection Team (JIT) led by the City Engineer's Office (CEO) is currently using a mobile application installed in tablets that serves as the team's inspection checklist. CEO purchased the web application from the Strategic Information Management Software Solution (SIMSS) Corp. Although this innovation significantly improved the efficiency of the current inspection system and lessened the use of printed forms, it requires an internet connection to be able to synchronize and store the data on the tablet. The fluctuating internet connection in inspected areas prevents real-time server synchronization and lengthens the inspection time. Thus, CEO in coordination with the Information Technology Services Division (ITSD) should strive to develop an offline system that will allow loading of data despite the lack of internet connection in inspected areas.

Business Applicants' Suggestions

Feedback from the applicants with regard to registration processing, improvements to physical facilities, customer service are as follows:

1. Provision for a single lane/devoted window for senior citizens/persons with disabilities, and applicants with multiple transactions.
2. Improve ventilation by adding air conditioning and electric fans inside the BOSS to relieve applicants' discomfort especially in the afternoon in the waiting area.
3. Provide entertainment in the waiting area such as television or monitor showcasing Batangas City's selling points, its programs & projects, investment priorities, how to do business in the city, tourist spots, among others.
4. Provision for additional parking space.
5. Allow submission of a photocopy of barangay clearance instead of the original copy.

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ANNEX 1. DILG-DTI Joint Memorandum Circular 1 S. of 2010



REPUBLIC OF THE PHILIPPINES

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Joint Memorandum Circular No. 01, Series of 2010
06 August 2010


RAQUEL M. CLEMENTE
Chief, Office of the Secretary
Department of Trade and Industry

TO: THE REGIONAL AND PROVINCIAL DIRECTORS OF THE DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT (DILG) AND THE DEPARTMENT OF TRADE AND INDUSTRY (DTI), THE BUREAU OF FIRE PROTECTION (BFP) AND MEMBERS OF THE SANGGUNIANG PANGLUNGSOD AND SANGGUNIANG BAYAN

SUBJECT: GUIDELINES IN IMPLEMENTING THE STANDARDS IN PROCESSING BUSINESS PERMITS AND LICENSES IN ALL CITIES AND MUNICIPALITIES

1.0 Purpose

- 1.1 To disseminate the service standards in processing business permits and licenses which cities and municipalities are enjoined to follow.
- 1.2 To provide the guidelines for streamlining the business permits and licensing systems (BPLS) in cities and municipalities in accordance with the service standards which the national government is setting consistent with Republic Act No. 9485, otherwise known as the Anti-Red Tape Act of 2007 (ARTA);
- 1.3 To clarify the roles and responsibilities of the Department of the Interior and Local Government (DILG), the Department of Trade and Industry (DTI), and the various cities and municipalities in the country in ensuring the implementation of the BPLS standards.

2.0 Statement of Policies

- 2.1 The government recognizes the importance of improving the country's growth potential through enhancing its competitiveness at the national and local levels. This can only be achieved through reforms that reduce the cost of doing business in the country and address the other policy issues that discourage international and local investors.
- 2.2 Pursuant to Republic Act No. 9485, all government instrumentalities and local government units are mandated to provide efficient delivery of services to the public by reducing bureaucratic red tape and preventing graft and corruption, and providing penalties thereof. The ARTA, which provides the legal basis for re-engineering current business processing systems at the local level, sets benchmarks for processing simple and complex transactions which should be applied to BPLS nationwide.
- 2.3 The DILG and the DTI, as Co-chairs of the Working Group on Decentralization and Local Government and the Working Group on Growth and Investment Climate, respectively, under the Philippine Development Forum (PDF) agreed to jointly undertake the



nationwide streamlining of BPLS. Both agencies will conduct the necessary capacity building programs to enable LGUs to comply with the BPLS standards, coordinate with other government agencies involved in the BPLS to similarly streamline operations and assist in generating resources for the BPLS streamlining project.

3.0 Definition of Terms

- 3.1 Action – refers to the written acknowledgement of receipt, approval or disapproval made by a government agency or office on the application or request submitted by the client for processing.
- 3.2 Business One-Stop-Shop (BOSS) – refers to an arrangement where a single common site or location is designated for all concerned agencies in the BPLS system to receive and process applications for business registration thru a streamlined system.
- 3.3 Business Permit – is a document that must be secured from the city or municipal business permits and licensing office for the business to legally operate in the locality.
- 3.4 Business Registration – is a set of regulatory requirements an entrepreneur must comply with to set-up a business entity including, but not limited, to the collection or preparation of a number of documentation, the notarization and/ or verification thereof, submission to various national and local government authorities, approval of application submitted, and receipt of a formal certificate or multiple certificates, licenses, permits, and the likes which confirm the eligibility to operate as a legitimate business entity.
- 3.5 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 (action) in the ordinary course of business of the agency or office concerned.
- 3.6 Joint Inspection Team (JIT) – is composite team whose members come from the various LGU agencies implementing business-related regulations created and authorized by the LGU through an Executive Order or Ordinance to conduct joint inspection of business enterprises instead of individual inspections.
- 3.7 Priority LGUs – refer to cities and municipalities included in the government program for the nationwide streamlining of business permits and licensing system (BPLS) which will be closely monitored and provided with assistance in terms of capacity building, among others.
- 3.8 Signatories – refer to the final approving authority or authorities whose signatures are affixed to a business permit or mayor's permit to make the document legal and binding in the eyes of the law.
- 3.9 Steps – refer to an action or actions that applicants and/or government agencies undertake as part of the process of applying for and/or processing business permits and licenses.

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3.10 Processing Time – refers to the time spent by an applicant from to receipt of the business permit by the LGU consisting of transaction time, waiting time and travel time within the site provided by an LGU for business registration.

3.11 Unified Form – is a single common document issued by an LGU to a business applying for registration that contains the information and approvals needed to complete the registration process and facilitates exchange of information among LGUs and National Government Agencies.

4.0 BPLS Reform Standards

All cities and municipalities are enjoined to follow the following standards in processing business permits and licenses:

4.1 **Unified Form.** All cities and municipalities shall use a single unified form in processing new applications for business permits and business renewals (Annex 1). The unified form consolidates all the information about a business registrant needed by various local and national agencies. The adoption of the unified form is anticipated to contribute to reduction of steps and time in applying for business permits.

4.2 Standard Steps

4.2.1 All cities and municipalities shall ensure that applicants for business registration shall follow five (5) steps in applying for new business permits or for business renewals:

- (1) Securing an application form from the city or municipality;
- (2) Filing or submission of the accomplished application form with attached documentary requirements;
- (3) One-time assessment of taxes, fees and charges;
- (4) One-time payment of taxes, fees and charges;
- (5) Securing the Mayor's Permit upon submission of Official Receipt as proof of payment of taxes, fees, and charges imposed by the LGU.

Annexes 2 and 3 illustrate the standard steps which applicants shall follow in securing the Mayor's Permit for new business applications and business renewals.

4.2.2 Compliance with the above standard steps will require the following:

(1) Inspections usually undertaken for compliance with zoning and environment ordinances, building and fire safety, health and sanitation regulations undertaken during the construction stage shall not be conducted again by the LGU as part of the requirements for business registration. Instead, inspections to check compliance with all the requirement standards will be undertaken within the year after the issuance of the business permit.

(2) Joint inspection teams composed of the Business Permit and Licensing Officer, the City/Municipal Engineer, the City/Municipal Health Officer or Representative, the City/Municipal Planning Officer or designated Zoning Officer, the City/Municipal Environment and Natural Resources Officer or Representative, the City/Municipal

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Treasurer and the City/Municipal Fire Marshal shall be organized to conduct joint inspection of business enterprises as required by law.

(3) The Bureau of Fire Protection shall enter into a memorandum of agreement with cities and municipalities, as necessary, to implement streamlined procedures for assessing and paying fire code fees that will enable the LGUs to implement that above steps.

4.3 Standard Processing Time. Consistent with ARTA, all cities and municipalities are enjoined to comply with the prescribed time for processing of business registrations, as shown below:

(1) Processing of new business permits, which is classified as a complex transaction following the ARTA classification, shall not take more than 10 days for the release of the permit. However, LGUs are enjoined to strive for 5 days or less which is the average processing days in LGUs with streamlined BPLS; and

(2) Processing of business renewals, which is classified as a simple transaction, shall not take more than 5 days for the release of the permit. However, LGUs are enjoined to strive for one day or less processing, which is the average processing time in LGUs with streamlined BPLS.

4.4 Signatories. All cities and municipalities shall follow the prescribed number of signatories required in processing new business applications business renewals to five days following the ARTA. However, LGUs are enjoined to require only two (2) signatories, namely, the Mayor and the Treasurer or the BPIO. To avoid delay in the release of permits, alternate signatories (e.g. the Municipal or City Administrator or the BPIO) may be properly deputized by the Mayor.

5.0 Implementation of the BPLS Standards



5.1 All cities and municipalities are enjoined to implement the BPLS standards as described in Section 4 above. The government identified priority cities and municipalities whose implementation of the BPLS standards will be closely monitored since these LGUs: (a) constitute the critical mass of establishments in the country; and (b) they have been identified as having good potentials in generating investments in the four priority sectors of government, e.g. business process outsourcing, tourism, mining and agribusiness. Annex 4 contains the list of priority LGUs.

5.2 The government shall be organizing training workshops and coaching sessions for the LGUs in the priority list mentioned in section 5.1 on October-December 2010. At the same time, the government shall be issuing an operations manual to guide LGUs in re-engineering their BPLS to conform to the BPLS standards mentioned in section 4.

5.3 The cities and municipalities not included in the priority list contained in Annex 4 shall undertake BPLS streamlining on their own through enrolment in training programs that will be provided by the Local Government Academy (LGA) and other private sector providers.

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6.0 Roles and Responsibilities

6.1 Local Government Units (Cities and Municipalities)

- 6.1.1 The LGUs, represented by the Local Chief Executive/Mayor, shall coordinate with DILG and the DTI in the implementation of BPLS standards and shall:
- (a) organize Technical Working Groups (TWGs) to oversee the implementation of the streamlined BPLS;
 - (b) participation of LGU representatives in all BPLS reform activities that are initiated by the DILG and DTI at the LGU level;
 - (c) the preparation and implementation of the requisite orders, ordinances and directives relative to the BPLS reform;
- 6.1.2 Provide the enabling environment for BPLS reforms, namely, the legal framework, the budget and logistical support necessary in instituting BPLS reform standards to include, but not limited to, manpower, creation of the one-stop shops, organization and activities of joint inspection teams (JIT) and conduct of information, education and communication campaigns (IEC).

6.2 Department of the Interior and Local Government

- 6.2.1 The DILG, together with the DTI, shall coordinate the upscaling of the BPLS reforms nationwide with other agencies and among its regional, local government operations officers, bureaus and attached agencies. The Local Government Academy (LGA) under the DILG, shall act as the overall coordinator for the nationwide BPLS streamlining program for LGUs.

The DILG regional offices shall organize a regional BPLS Coordination Committee, together with the regional offices of the DTI, to oversee the implementation of the BPLS project at the local level, with membership coming from concerned government agencies, local chambers, civil society organizations and other stakeholders.

- 6.2.2 The DILG, together with DTI, shall organize and co-chair a BPLS Oversight Committee which will provide the overall policy direction in the nationwide upscaling of the BPLS reforms.
- 6.2.3 The DILG, as Co-Convenor of the Working Group on Decentralization and Local Government under the Philippine Development Forum, shall promote the BPLS project and take responsibility in enjoining the development community to support the project.

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6.3 Department of Trade and Industry

- 6.3.1 The DTI, together with the DILG, shall be responsible for providing policy direction in the implementation of the BPLS reform project nationwide and in ensuring that the requirements for BPLS streamlining are among its regional and provincial offices and in setting up a monitoring system for tracking the progress of LGs in reforming their BPLS. It shall co-chair the BPLS Oversight Committee which will provide the overall policy direction in the nationwide up scaling of the BPLS Reforms.
- 6.3.2 Considering its mandate to promote investments and enhance competitiveness both at national and local levels, the DTI, together with the DILG, shall be responsible for identifying the priority LGUs that will be included in the BPLS program and in annually evaluating the list based on the sector priorities of the government and other criteria that will be deemed necessary.
- 6.3.3 Consistent with the framework for public-private sector partnership (PPP), the DTI shall be responsible for enjoining private sector participation and support in the BPLS streamlining project both at the national and local levels.
- 6.3.4 The DTI, as Co-Covener of the Working Group on Growth and Investment Climate under the Philippine Development Forum, shall promote the BPLS project and take responsibility in enjoining the development community to support the project.

7.0 Enforcement Clause

This Joint Memorandum Circular shall enforce all the provisions of Republic Act No. 9485 or Anti-Red Tape Act of 2007 and its Implementing Rules and Regulations.

8.0 Separability Clause

If any clause, sentence or provision of this Joint Memorandum Circular shall be invalid or unconstitutional, its remaining parts shall not be affected thereby.

9.0 Repealing Clause

All orders, rules and regulations inconsistent or contrary to the provisions of this Joint Memorandum Circular are hereby repealed or modified accordingly.

10.0 Effectivity

This Joint Memorandum Circular shall take effect immediately.


JESSE M. ROBREDO
Secretary
Department of the Interior and Local Government


GREGORY L. DOMINGO
Secretary
Department of Trade and Industry

WILBERT TRINIDAD CLAY


Annex 1: Unified BPLS Form

Annex 1 (Page 2 of 2): Application Form for Business
Application No. 000 000 000 0000

Annex 1 (Page 1 of 2): Application Form for Business Permit		CITY/MUNICIPALITY _____
TAX YEAR _____		
<input type="checkbox"/> New <input type="checkbox"/> Renewal <input type="checkbox"/> Additional	<input checked="" type="checkbox"/> Amendment: From Single to Partnership From Single to Corporation From Partnership to Single From Partnership to Corporation From Corporation to Single From Corporation to Partnership	<input type="checkbox"/> Mode of Payment: Annually <input type="checkbox"/> Bi-Annually <input type="checkbox"/> Quarterly
<input checked="" type="checkbox"/> Transfer: Ownership Location	Date of Application _____ Reference No. _____ Type of Corporation: Single Partnership Corporation Cooperative _____ For you copying the records from any Government Office? <input type="checkbox"/> (Yes) <input type="checkbox"/> (No) Please specify the date: _____ Name of Taxpayer _____ Last Name _____ First Name _____ Middle Name _____ Business Name _____ Trade Name/Particular _____ Name of President/Manager of Corporation _____ Last Name _____ First Name _____ Middle Name _____ Business Address _____ House No./Bldg. No. _____ Building Name _____ Street _____ Barangay _____ Subdivision _____ City/Municipality _____ Province _____ Tel. No. _____ Email Address _____ Property Index Number (PIN) _____ Business Area (in sqm) _____	CR No. _____ TR _____ DTSA/DTAA Registration No. _____ DTSA/DTAA date of registration _____ CR No. _____ TR _____ House No./Bldg. No. _____ Building Name _____ Street _____ Barangay _____ Subdivision _____ City/Municipality _____ Province _____ Tel. No. _____ Email Address _____ Total No. of Employees in Establishment _____ # of Employees Residing in LGU _____
If Place of Business is Rented, please identify the following: Lessor's Name: _____ Monthly Rental _____ Last Name _____ First Name _____ Middle Name _____ Lessor's Address _____ House No./Bldg. No. _____ Subdivision _____ Street _____ City/Municipality _____ Barangay _____ Province _____ Tel. No. _____ Email Address _____ In case of emergency, Contact Person's Tel. No./Mobile phone no./Email address _____		
Business Activity _____ Code _____ Law of Business _____	No. Of Users _____ Capitalization For New Business _____	Gross Sales/Receipts (For review) Essential _____ Non-essential _____
Date of Undertaking _____ Undertake to comply with the regulatory requirement and other deficiencies within 30 days from release of the business permit.		
SIGNATURE OF APPLICANT (OVER PRINTED NAME)		POSITION/TITLE

Jr

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Raquele M. Clemente
 RAQUEL M. CLEMENTE

ASSESSMENTS					
LOCAL TAXES	REFERENCE	AMOUNT DUE	PENALTY/CHARGE	TOTAL	ASSESSED BY
Drain Sales Tax					
Tax on delivery construction					
Tax on storage for combustible/flammable or explosive substance					
Tax on equipment /off road					
REGULATORY FEES AND CHARGES					
Master Permit Fee					
Garbage Charge					
Delivery Truck/Trailer Permit Fee					
Sanitary Inspection Fee					
Building Inspection Fee					
Electrical Inspection Fee					
Architectural Inspection Fee					
Plumbing Inspection Fee					
Signposts/Billboard Renewal Fee					
Signposts/Billboard Permit Fee					
Storage and Sale of Combustible/Flammable or Explosive Substance					
Others					
VERIFICATION OF DOCUMENTS					
Description	Office/Agency	Date Issued	VERIFIED BY (PRINT NAME)		
Zoning Clearance	Zoning				
Zoning Clearance	Zoning Admin				
Sanitary/Health Clearance	City Health Dept				
Occupancy Permit	Permit Office				
Fire Safety Inspection Certificate	City Fire Dept				
Others, please specify					
Assessment received by:			Approval Recommended by:		
Instructions: 1. Provide accurate information and print legibly to avoid delays. Incomplete application form will be returned to the applicant. 2. Ensure that all documents attached to this application form are complete and properly filled out.					

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Maquie M. Clemente
 MAQUIE M. CLEMENTE

Annex 2. The Standard Steps for the Registration of New Businesses

Steps	Client		LGU		Process Time & Waiting Time
	Activities	Documentary Requirement	Offices	Required Actions	
1	Secure Application Form	None	Frontline – BPLD	Give form, list of requirements & answer questions	Process time starts in step 2
2	File Application for New Business Permit	Filled-up Unified Form, SEC/DTM/CDA Certificate, Location Map, Barangay Clearance, Occupancy Permit	Frontline – BPLD Backroom – IT	Review & validate submissions, acknowledge receipt & endorse to next step	Day 1
3	One-Time Assessment	All documents from step 2	Frontline – Assessor Backroom – IT	One-time assessment based on submitted documents	Days 2 – 4
4	One-time Payment of taxes, fees & charges	All documents from step 3	Frontline – Municipal/City Treasurer's Office Cashier	Collect and issue Official Receipt	Day 5
5	Claim Mayor's Permit	All documents from step 4	Frontline – BPLD Backroom – Mayor or Deputized Signatory	Print, sign and release Mayor's/Business Permit	Day 5

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Handwritten signature
HAQUELAL CLEMENTE

Annex 3. The Standard Steps for the Renewal of Business Permits

Steps	Client		LGU		Process Time & Waiting Time
	Activities	Documentary Requirement	Offices	Required Actions	
1	Secure Application Form	None	Frontline – BPO	Give form, list of requirement & answer queries	Process time starts in step 2
2	File Application for Renewal	Filled up Unified Form, previous business permit, Barangay Clearance	Frontline – BPO	Review submissions & endorse to next step	5 – 15 Minutes
3	Submit documents for one-time assessment	All documents from step 2	Frontline – Assessor Backroom – IT	One-time assessment based on documents submitted	10 – 20 Minutes
4	One-time payment	All documents from step 3	Frontline – Municipal/City Treasurer's Office Cashier	Collect and issue Official Receipt	10 – 15 Minutes
5	Claim Mayor's Permit	All documents from steps 4	Frontline – BPO Backroom – Mayor or Designated Signatory	Print, sign and issue permit	5 – 10 Minutes

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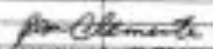
VERIFIED TRUE COPY

Handwritten signature

gabriel
GABRIEL M. CLEMENTE
 Head, Records Section

Region	Province	2010	2011	2012	2013	2014
IV-A	Bataan	Cabanatuan	Palaoran	Gen. Trino	Sto. Domingo	Carrangaran
		Dagupan	Sta. Rosa	Labac	Ataga	Pactabangan
		San Jose	Guimba	Alip	Pimentado	Quison
		Mabini	San Isidro	Rodriguez	Uyay	Sanbaldo
		Talavera	San Antonio	Jan	Gen. Mamerto Natividad	Talung
	Aurora		San Leonardo	Uyaya	Jan	Lucas
				Tanigosa	Janeta	Pangasinan
		Baler	Mano-Aurora	Ign. Luján		Quing
			Orizaba	Castrojan		Dinalungan
				Dugalan		
IV-A	Cavite	Dasmariñas	Siung	Taneta	Nov	Macaparan
		Imbat	Gen. Trino	San Mariano Trino	Amades	Mendi
		Imus	Trinidad Martines	Tanza	Infang	Ternate
		Cavite	Piohuo	Almit	Alfonso	Gen. Emilio Aguinaldo
			Carmona	Tanabeta		Vasquez
	Laguna	Sta. Rosa	Alfon	Alfonso	Lumban	Yari
		Cainba	San Pedro	Calayan	Pelle	Sta. Mesa
		San Pablo	Cabuyao	Sto	Victoria	Pangil
		Los Baños	Sta. Cruz	San Juan	Luzena	Puris
			Palawan	Ysa	Majada	Alifan
	Batangas			Alfonso	Alfonso	Cavite
				Ure		Morán
		Ure	Tanauan	Seban	Calaca	Batanga
		Batangas	Sto. Tomas	San José	Malay	Calatagan
			Alfonso	Febe. Garcia	San Pascual	Agoncillo
Taal		San Juan	San	Mabini	Arayat	
		San Juan	San	San	Jobo	
		San Juan	San Juan	Talaba	Lucena	
		San Juan	San Juan	Talaba	San Juan	
		San Juan	San Juan	Talaba	San Juan	
Quezon				Milagros Baloy	Bales	
				Calaca	Tingloy	
	Antipolo	Tarbay	Alfonso	Pila		
	Canta	San Mateo	Tanza	Corona		
		Rodriguez	Moring	San		
Quezon		Angona		Ula Ula		
				Tanza		
	Jucina	Lutken	Alfonso	Palilo	Vasquez	
	Landaona	Talung	Uyay	Colonel	San Marcos	
	Tayken	Caraca	Alfonso	Uyay	Pactabangan	
Quezon		Malbon	Calang	Alfonso	San Juan	
		Paltrae	Alfonso	Gen. Ylar	Quing	
			Calatagan	Alfonso	Puris	
			San Juan	San Juan	San Juan	
			Tackwanon	San Francisco	San Juan	

Region	Provinces	2010	2011	2012	2013	2014
VII			Bali			
			Bengkul			
	North Samar	Catamban	Alor	San Roque	San Nevin	Procto
			Laveig	Catubig	Jose De Vega	Leang
			San Isidro	Pambujan	San Antonio	Bin
			Panapa	Boban	Victoria	Cagat
				San Jose	Masinas	Alvino Lopez
				Bamey		San Antonio
				Moribagan		
				Luyit		
	Tacloban					
	Ormoc					Tanauan
	Barbar	Calbanga				Isabel
	Southern Leyte					
VIII	Tambora del Sur	Limonanga				
		Pagadian				
	San Isidro del Norte	Cibola	Polanco			
		Tagitan	Xristo Lind			
			Alva			
			Manulan			
IX	Barroton	Wahucay				Quitan
		Valencia				
	Candian		Mambuan			
	Laredo del Norte	Ugan	Tubad			
	Alfama Occidental		Orama			Trinidad
		Ordueta				
	Miamy Oriental	Capitan de Oro				Gingoy
						Orin
						Mopobato
X	Cava del Sur	Deaso				
		Dagat				
	Cava del Norte	Tagum				
		Pasato				
		Sama				
	Cava Oriental	Mali				
				Lujan	Catet	
				Blagiga	San Isidro	
				San Sebastian	Caraga	
				Mansu	Taragona	
			Banastana	Stapan		
Lampitiro Valley	Mazatlan	Comasuela				
Cotabaca (North)	Edocawan					
	Michelec					
			Makela	Carren		
			Talapan	Uburan		
			Al Lang	Aratan		
			Matalan	Nah		
			Tulunan	Banulan		
			Arayat	Proo, Rogas		

CERTIFIED TRUE PRODUCE

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 Head, Records Section
 Department of Trade and Industry