

# Streamlining Business Registration in LGUs



**GOOD PRACTICES**  
**6**



Streamlining Business Registration in LGUs  
G O O D P R A C T I C E S

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Published by:

Bureau of Small and Medium Enterprise Development (BSMED) in cooperation with the German Technical Cooperation - Small and Medium Enterprise Development for Sustainable Employment Program (GTZ-SMEDSEP) and The Asia Foundation (TAF)

# Foreword

There is direct correlation between simplified business registration and licensing procedures on one hand and business creation and investment inflows on the other.

As shown by the experience of other countries such as Australia, a reduction in the cost of doing business by three percent of the gross domestic product (GDP), which includes business registration and licensing, creates an extra USD 1.2 billion that is available for investments.

For the Philippines, such an amount is nearly equivalent to the average yearly foreign direct investments (FDIs) over the last five years.

Therefore, it makes much sense to reduce the administrative and regulatory burdens on businesses. For small and medium enterprises (SMEs) which comprise 99.6 percent of all enterprises in the country, such burdens are even heavier because of the SMEs' small capitalization.

This handbook is both a recipe book and a toolkit to motivate and enable local government units (LGUs) to streamline their respective systems and procedures on business permits and licenses (BPL).

It is hoped that by streamlining their business permit and licensing system (BPLS), LGUs will: (a) encourage informal businesses to register, (b) spur the creation of new businesses, and (c) generate more revenues. Consequently, the aggregate results will lead to the creation of more employment opportunities and more social services and benefits for the citizenry.

May this handbook therefore inspire other LGUs and the entire government bureaucracy, and allow them to see that cutting red tape to improve service delivery to businesses has a far-reaching impact in improving the business and investment climate of the country. In effect, such action is a form of investment that will yield multiple dividends and profits a few years onwards!



Department of Trade and Industry



## Message

PETER B. FAVILA  
Secretary

I welcome and laud the publication of this handbook, *Good Practices: Streamlining Business Registration in Local Government Units (LGUs)*, as it represents a big step forward in our vision to transform government into a more business-friendly organization.

In its bid to boost both countryside development and global competitiveness, government considers the creation of an enabling environment for small and medium enterprises (SMEs) as crucial. This is evident in the implementation of the Anti-Red Tape Program for Local Governments through the Department of Interior and Local Government, and the creation of the Anti-Red Tape Task Force which is headed by the Department of Trade and Industry.

The development of this handbook is one of the initiatives under Activity Group 10 of the SME Development Plan 2004-2010, which covers Streamlining Business Regulatory Requirements. It provides good practices in streamlined business registration system based on selected LGUs' experiences – practices that promote the development of SMEs as well as improve the revenue generation of LGUs. It is hoped that the stories of the featured LGUs will encourage other local chief executives to adopt these good practices in their respective localities.

May I take this opportunity to thank the German Technical Cooperation-Small and Medium Enterprise Development for Sustainable Employment Program (GTZ-SMEDSEP) for its support in the publication of this material, and the partner agencies from the government as well as the private sector for their significant contributions in this undertaking. We look forward to conducting more joint initiatives with all of you in support of the President's 10-point Agenda, particularly the provision of assistance to three million entrepreneurs and the generation of six to 10 million jobs by 2010.

Mabuhay!



League of Cities of the Philippines



## Message

JERRY P. TREÑAS  
Mayor, Iloilo City  
LCP Nat'l Pres.

Greetings from the League of Cities of the Philippines!

Local Government Units play a vital role in the promotion and development of small and medium enterprises that could become important drivers of development for our country.

This handbook showcases good practices on streamlining business registration from local government units across the country on how they were able to improve and develop their own respective localities.

These experiences have shown the efforts of various local government units in their commitment to promote a better climate for the emergence of businesses.—

I commend my fellow public servants who have risen above the challenge of local autonomy and good governance. It is an honor to be working alongside them for a community that deserves only genuine public service.

Our colleagues from these local government units have reaped the benefits of a streamlined business registration. Let continuity and sustainability be the new challenges for us as we strive to bring in fruitful economic reforms. -

Once again, in behalf of the members of the League of Cities of the Philippines, I extend my sincere congratulations to everyone who has taken part in the success of this handbook.

Mabuhay!



League of Municipalities  
of the Philippines



## Message

MAYOR RAMON N. GUICO JR.  
Binalonan, Pangasinan  
LMP National President

The League of Municipalities of the Philippines (LMP) welcomes the advent of this Handbook on Good Practices in Streamlining Business Registration in LGUs.

Being location hosts to SMEs, municipalities play a significant role in encouraging business start-ups and providing a conducive environment for their growth so that they can generate more economic activities for the benefit of our local communities.

As provided for by the Local Government Code of 1991, the devolution of powers and authority from the national government agencies (NGAs) to LGUs allows the latter to have “enhanced governmental and corporate powers”. Thus, from our point of view, this Handbook contributes to the capacity-building of LGUs to become more responsive to the needs of the business sector.

There are more than 1,500 municipalities nationwide and by their sheer number, these LGUs probably host a larger percentage of the approximately 900,000 SMEs scattered in Luzon, Visayas and Mindanao!

The inclusion of two of our colleagues in this handbook — La Trinidad in Benguet and Kalibo in Aklan — shows that municipalities, in spite of their smaller size and lesser resources, could contribute as much as the cities in improving the business and investment climate of the Philippines.

On behalf of the League of Municipalities of the Philippines, I would like to express our gratitude for all the organizations behind the conceptualization, development and production of this Handbook.

Maraming salamat po!



# List of Acronyms

AIM	Asian Institute of Management
BAYS Center	Bacolod Arts, Youth and Sports Center
BIN	Business Identification Number
BIR	Bureau of Internal Revenue
BFP	Bureau of Fire Protection
BLFD	Business Licenses and Fees Division
BOI	Board of Investments
BOSS	Business One-Stop Shop
BPL	Business Permit and Licensing
BPLO	Business Permit and Licensing Office
BPLS	Business Permits and Licensing System
BPLTAS	Business Permit and Licensing Tax Assessment System
BSMED	Bureau of Small and Medium Enterprise Development
BTFD	Business Tax and Fees Division
CEMCDO	City Economic Management and Cooperative Development Office
CEO	City Engineer's Office
CHO	City Health Office
CIDA	Canadian International Development Agency
COA	Commission on Audit
CPDO	City Planning and Development Office
CSC	Civil Service Commission
CTC	Community Tax Certificate
CTO	City Treasurer's Office
CVO	City Veterinarian's Office
DILG	Department of the Interior and Local Government
DTI	Department of Trade and Industry
eBPLS	electronic Business Permit and Licensing System
EDP	Electronic Data Processing
FGD	Focus Group Discussion
GR	Gross Receipt

GSC	General Santos City
GSCCII	General Santos City Chamber of Commerce and Industry, Inc.
GTZ	German Technical Cooperation
IEC	Information, Education and Communication
IFC	International Finance Corporation
LCE	Local Chief Executive
LCP	League of Cities of the Philippines
LGU	Local Government Unit
LMO	Lake Management Office
LTOO	Local Treasury Operations Officer
MCC	Muntinlupa Chamber of Commerce
NGAs	National Government Agencies
OBO	Office of the Building Official
PCCI	Philippine Chamber of Commerce and Industry
PESO	Public Employment Service Office
PICPA	Philippine Institute of Certified Public Accountants
PIN	Property Index Number
PLD	Permits and Licensing Division
QC	Quezon City
QCCCI	Quezon City Chamber of Commerce and Industry
RCC	Revenues Collection Clerk
SEC	Securities and Exchange Commission
SI	Sanitation Inspector
SMEs	Small and Medium Enterprises
SMEDSEP	Small and Medium Enterprise Development for Sustainable Employment Program
SP	Sangguniang Panlalawigan
SSS	Social Security System
TRACS	Tax Revenue and Collection System

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# Introduction

## RATIONALE

In a report entitled “Doing Business in 2006” published by the World Bank, it was found that businesses in poor countries face much larger regulatory burdens than those in rich countries. They face three times the administrative costs, and nearly twice as many bureaucratic procedures and delays associated with them.

In the Philippines, cumbersome procedures of business registration discourage local businesses, particularly SMEs, from securing business permits. This reality prevents LGUs from increasing revenues derived from business taxes. The same procedures constrain many businesses from flourishing and formalizing their establishments, pushing them to remain in the informal economy.

As the government endeavors to promote economic development, it must work at creating an enabling environment for business, and support the growth and development of SMEs which comprise 99.6 percent of the country’s business establishments and contribute 70 percent of employment.

This handbook on good practices in “Streamlining Business Registration in LGUs” supports the Presidential Agenda of increasing the number of SMEs and contributing to the creation of 6 to 10 million jobs by 2010. A project of the Bureau of Small and Medium Enterprise Development (BSMED) under its SME Development Plan, the handbook contains good practices in business permit and licensing found in 16 LGUs all over the country, and is intended primarily as a sourcebook for local chief executives (LCEs) and LGU officers in charge of issuing business permits and licenses.

## APPROACH

BSMED, through support of the German Technical Cooperation – Small and Medium Enterprise Development for Sustainable Employment Program (GTZ-SMEDSEP), tapped the services of the Development Academy of the Philippines (DAP) to conduct the study and produce the Handbook. An inter-agency Consultative Body was also formed to provide data as well as direction (See Annex G).

Based on initial inputs from the Consultative Body, the DAP team conducted a literature review and a documentation of LGUs with good practices in streamlining business registration. Sixteen LGUs were identified for inclusion in the Handbook based on the following criteria:

- Currently implementing simplification of business registration process (fewer signatures, less steps, less cost);
- Outcome/Impact – Good practice(s) adopted must have resulted in increased business registration and/or increase in revenue;
- Geographic location – Luzon, Visayas, and Mindanao must be represented.
- Size – Small, mid, and metro LGUs [based on Asian Institute of Management (AIM) classification] must likewise be represented; and
- Good practices in streamlining BPL must have been documented by local and international agencies.

The DAP team conducted field research in these LGUs using key informant interviews, focus group discussions, and process observation as methodologies.

## DEFINING “BUSINESS REGISTRATION”

Business, as defined in “The Local Government Code of the Philippines,” means trade or commercial activity regularly engaged in as a means of livelihood or with a view to profit.

The establishment of a business entails the registering of the business entity with government agencies including the Department of Trade and Industry or DTI (for single proprietorships) or the Securities and Exchange Commission or SEC (for corporations and partnerships), or the Cooperative Development Authority or CDA (for cooperatives), and the LGU for local permits. Business registration is important because the entity is given a legal existence. The Local Government Code authorizes the LGU, through an appropriate ordinance of their Sanggunian, to impose a tax, fee or charge on the business entity in order to generate revenue.

There are two types of business permit applications, namely: starting a new business and renewal of existing business. They differ in terms of documentary requirements, number of steps and processing times. A new business permit application takes longer since it entails more documentary requirements (the securing of which involves more interfacing transactions with other government agencies) and number of steps.

## NEW BUSINESS PERMIT APPLICATION

The different levels of requirements for new business permit application can best be summed up by the following<sup>1</sup>:

1. Screening procedures (e.g., notarize company deeds, open a bank account and deposit start-up capital, register company at DTI or SEC);
2. Tax-related requirements (e.g., register for various taxes including value added tax or VAT);
3. Labor/social security-related requirements (e.g., register with pension funds, register for social security, register for various insurances such as accident);

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<sup>1</sup> Taken from International Finance Corporation (IFC) Toolkit

4. Safety and health requirements (e.g., pass inspections and obtain certificates related to work safety, building, fire, sanitation, and hygiene); and
5. Environment-related requirements (e.g., obtain environment certificate, register with the waste management and water discharge authorities).

## BUSINESS PERMIT RENEWAL

Application for a business permit renewal, on the other hand, takes a relatively shorter time since many reforms have already been instituted by LGUs to speed up the process, such as the institutionalization of the Business One-Stop Shop (BOSS). Under the Local Government Code, “all local taxes, fees and charges shall be paid within the first twenty (20) days of January or of each subsequent quarter, as the case may be. The Sanggunian concerned may, for a justifiable reason or cause, extend the time of payment of such taxes, fees, or charges without surcharges or penalties, but only for a period not exceeding six (6) months.”

### Key Performance Indicators

Simplifying the business registration process in an LGU can greatly ease the burden of applicants and make the process of doing business with the LGU more convenient. The performance of the business permits and licensing office in an LGU can be gauged by the improvement in the following key performance indicators:

- Number of businesses that applied/renewed application for a business permit;
- Time allotted to secure a business permit;
- Number of steps (including signatures) required to secure a business permit;
- Number of documentary requirements; and
- Revenue generated from business registration.



## PROBLEMS/CHALLENGES RELATED TO BUSINESS REGISTRATION

Although the Local Government Code covers the business registration process to some extent, its efficiency and effectiveness is largely dependent on the LGU's ability to create and apply approaches that make the process more customer-friendly and convenient, thus ultimately increasing business registrations. However, there is a need to review the process in order to address areas for improvement. Some of the most frequent complaints of business permit applicants/customers are:

### Procedures

- Long waiting time and difficulties in obtaining clearances from non-LGU entities (i.e., barangay, Bureau of Fire Protection or BFP, City Health Office or CHO, City Engineer's Office or CEO, and the Social Security System or SSS);
- Too many or repetitious steps;
- Lack of clear and standard systems, requirements, and computation of fees;
- Slow processing time due to manual procedures;
- Proliferation of illegal fixers who charge exorbitant fees;
- Use of connections and grease money to facilitate processing; and
- Lack of information on process flow and requirements, time frames, laws governing LGUs.

### Requirements

- Too many requirements of National Government Agencies (NGAs); and
- Signatures needed/signatories too many and/or not easily available.

### Customer Orientation

- Lack of personnel or staff who are competent, ethical, and customer-oriented; and
- Uncomfortable physical environment in BPLO — lack of space and ventilation.

### Proximity of Offices

- Distance to barangay hall and inaccessibility of signatories in barangay; and
- Scattered geographic location of offices needed for transactions.

### Others

- Forms difficult to fill up; and
- High volume of applicants during renewal period.

## GOOD PRACTICES IN BUSINESS PERMIT AND LICENSING (BPL)

In coming up with the categories or themes of good practices, the DAP team deemed it necessary to define the term “good practice.” Good practices are said to be approaches that have been shown to be:

- effective and sustainable;
- contributory to significant business results; and
- applicable in and replicated by others in different situations.

Good practices are innovative, and provide guidance for others. They follow systematic processes, are customer-oriented, and must be transparent.

In employing good practices, it is important to:

- learn from each other’s experiences, successes and failures;
- avoid mistakes; and
- introduce more efficient approaches to generating more business for the LGU.

SIX GOOD PRACTICE CATEGORIES in Business Permits and Licensing based on the results of the research done in 16 LGUs:

1. **PROCESS IMPROVEMENT** — making business registration and renewal as simple and short as possible through reduction in steps, signatures and requirements.
2. **BUSINESS ONE STOP SHOP (BOSS)** — convening all offices involved in the BPL process in one area during the annual business renewal period every January 2-20.
3. **COMPUTERIZATION** — the LGUs' use of information and communication technology (ICT) hardware and software applications in the BPL process, particularly for purposes of assessment, payment and data banking.
4. **PARTNERSHIP AND PARTICIPATION** — developing multi-sectoral alliances to achieve a common goal or to improve performance. Generating participation, on the other hand, means engaging the citizenry in contributing meaningfully to government activities such as the improvement of the design and implementation of LGU policies, programs, projects, and services.
5. **INFORMATION, EDUCATION AND COMMUNICATION (IEC)** — promotional activities, information campaigns and mechanisms, and even capability building interventions. IEC in the BPL involves informing potential and existing customers about the requirements, procedures, and service delivery levels involved in the business permit and renewal process.
6. **CUSTOMER SATISFACTION** — pleasing or satisfying clients who are applying for or renewing their business permits, to systematically obtaining client feedback and to providing amenities (e.g., waiting lounges, air-conditioning unit, coffee, candies, etc.) as well as training staff to provide excellent customer service.

The matrix below shows which among the LGUs studied implemented these good practices.

### Good Practices in Streamlining Business Registration in LGUs

Island Group	LGUs	Good Practices in Streamlining Business Registration					
		Process	BOSS	Computerization	Partnership and	IEC	Customer Satisfaction
Luzon	Cabuyao, Laguna		X	X		X	
	La Trinidad, Benguet	X	X	X			X
	Marikina City	X	X	X		X	X
	Muntinlupa City	X	X	X	X	X	X
	Naga City	X	X	X	X	X	X
	Quezon City	X	X	X	X	X	X
Visayas	Bacolod City	X	X	X	X	X	X
	Iloilo City	X			X		
	Kalibo, Aklan	X	X		X	X	X
	Ormoc City	X	X	X	X	X	X
Mindanao	General Santos City	X	X	X	X	X	X
	Iligan City	X	X	X	X	X	X
	Ozamiz City	X	X	X	X	X	X
	Surigao City	X	X	X	X	X	X
	Malaybalay City	X	X		X	X	
	Zamboanga City	X	X	X	X	X	X

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# SIX Good Practices

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- 1 ▶ Process Improvement
- 2 ▶ The Business One-Stop Shop
- 3 ▶ Computerization
- 4 ▶ Partnership and Participation
- 5 ▶ Information, Education and Communication
- 6 ▶ Customer Satisfaction

## PROCESS IMPROVEMENT

Process Improvement means making the business registration and renewal process as simple and efficient as possible. One way this can be done is by reducing the procedure to that which is most essential. It involves reviewing the current processes and determining which steps and signatures are necessary and which ones can be eliminated. It may also include documenting new procedures and requirements.

Long processes that are often accompanied by such inconveniences as long queues, uncomfortable office surroundings, or long distances between offices from which signatures are required, discourage business persons from registering.

Simple business registration and renewal processes, which minimize steps and signatures, attract more businesses to register. These translate to more revenues for the LGU. These also result in better quality service in the eyes of the clients as well as those of other stakeholders.

Almost all LGUs cited in this study implemented process improvement.

The cities of Ormoc, Bacolod, Iligan, Ozamiz, General Santos, Zamboanga, Surigao, and Malaybalay conducted a time and motion study, and based on the results, identified how their BPL process could be streamlined.

Another approach adopted was the conduct of advance inspections (fire, sanitation, building, etc.) – prior to the renewal period. These inspections are held from February to November of each year. Still, other LGUs issue either temporary permits or the final/approved documents even if the applicant does not have or has not completed submission of the required clearances or necessary documents, in which case, the applicant is given a period from one to six months to submit these requirements.

## MUNTINLUPA CITY

In 2001, two-time “Most Business-Friendly City” awardee of the Philippine Chamber of Commerce and Industry (PCCI) Muntinlupa City reduced its 14-step business permit renewal process to 12 steps and further reduced it to six steps in 2003. It did this by deleting from the process those agencies that merely noted down the business’ basic data. The agencies deleted were the Zoning Office, City Health Office (CHO), Fire Department, Lake Management Office (LMO), and Public Employment Service Office or PESO (see Table 1). After the renewal period, the BPLO itself provides these agencies with the updated data.

Table 1. Reduction in Number of Steps in Business Permit Renewal

Steps in Business Permit Renewal (2001)	Steps in Business Permit Renewal (2003)
<ol style="list-style-type: none"> <li>1. BPLO (Examination of Application, Declared Gross Receipts/Sales and Supporting Documents)</li> <li><del>2. Zoning Office (Issuance of Zoning Clearance)</del></li> <li>3. City Building Office or CBO (Endorsement with Tax Order of Payment)</li> <li><del>4. CHO (Health and Sanitation Clearance)</del></li> <li><del>5. Fire Department (Fire Safety Clearance)</del></li> <li><del>6. LMO (LMO Clearance)</del></li> <li><del>7. PESO and SSS Clearance</del></li> <li>8. BPLO (Computer Billing Section)</li> <li>9. Treasury (Issuance Community Tax Certificate And Official Receipts)</li> <li>10. BPLO Chief (Recommending Approval)</li> <li>11. Mayor’s Office (Mayor’s Approval/Signature)</li> <li>12. BPLO (Releasing)</li> </ol>	<ol style="list-style-type: none"> <li>1. BPLO (Examination of Application, Declared Gross Receipts/Sales, and Supporting Documents)</li> <li>2. CBO (Endorsement with Tax Order of Payment)</li> <li>3. BPLO Computer Section (Issuance of Computer Billing for Payment)</li> <li>4. Treasury (Issuance of Community Tax Certificate and Official Receipts)</li> <li>5. Signatories (BPLO Chief and Mayor)</li> <li>6. BPLO Releasing</li> </ol>

As a result of this effort, there was a steady increase in the number of registered businesses from 2003 onwards (Figure 1). Correspondingly, a steady rise in business permits and local taxes collection was also observed for the same period (Figure 2).

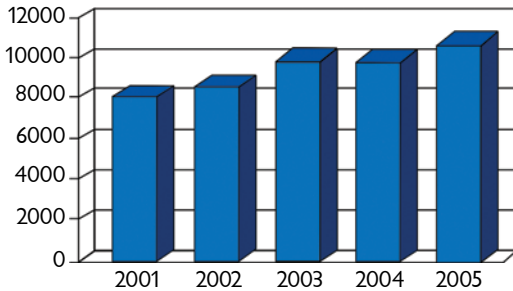


Figure 1. Number of Registered Businesses, 2001-2005

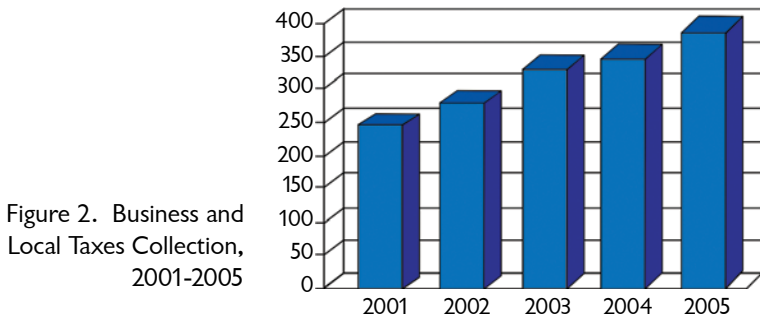


Figure 2. Business and Local Taxes Collection, 2001-2005

## ORMOC CITY

Ormoc City conducted a time and motion study in January 2005, which led to the streamlining of its BPLS in 2006. This effort resulted in the reduction of the BPL cycle from 14 to 5 steps for business renewal, and 17 to 10 steps for new businesses.

The streamlining process was done in four stages. The first stage involved the conduct of the first time and motion study (diagnosis) in January 2005, which revealed that processing and issuing business permits took quite some time. The findings were shared and validated



with the various stakeholders. This was followed by the planning stage, wherein the LGU involved all stakeholders in crafting a one-year action plan identifying several action steps for implementation in the next business permit renewal period. The third stage was the actual implementation of planned improvements to the BPL system during January 2006. The last stage entailed the conduct of another time and motion study to determine if the efforts led to a better BPL system (evaluation).

They reduced steps by merging the fire department's assessment of fees with that of the BPLO. Clearances from land tax and water sections are no longer a requirement.

Likewise, they implemented pre-registration and early certification. Businesspersons are now allowed to secure clearances from local units such as the fire department, health office, and building office, and national government agencies (NGAs) like the DTI, Philhealth and SSS, prior to the business renewal period.

Table 2 shows which among the steps were removed from the 2005 BPL cycle.

The streamlined process resulted in a processing time shortened from 17 days to 2 days, number of forms or documents needed reduced from 12 to 6, and an increase in number of business renewals from 2,475 in 2005 to 2,779 in January 2006.

Likewise, there was an 85 percent increase in income from business permits, from PhP 23.067 million to PhP 42.667 million, for the first quarters of 2005 and 2006, respectively.

In ILIGAN CITY, one needs a barangay clearance and an official receipt plus an Affidavit of Undertaking to get a business permit. For a minimal fee, business owners are given the option to submit their requirements from NGAs up to 60 days after release of permit. This allows them to operate their businesses immediately. This significantly shortens processing time from one week to less than a day.

Table 2. Comparison of BPL Steps in Ormoc City (2005 and 2006)

2005 BPLS	2006 BPLS
<p><u>New Business</u></p> <ol style="list-style-type: none"> <li>1. Barangay Office (Application Form)</li> <li>2. Fire Department (Fire safety assessment)</li> <li>3. BPLO (Business Fees &amp; Taxes Assessment)</li> <li>4. CTO (Payment of Assessed Fees and Taxes)</li> <li>5. CTO Waterworks Sec. (Check for Water Bills)</li> <li>6. CTO – Land Tax Section (Land Tax Arrears)</li> <li>7. CTO (Approval of Assessment)</li> <li>8. Lawyer’s Office (New Business Application Form)</li> <li>9. CPDO (Zoning Clearance)</li> <li>10. CEO (Engineering Clearance)</li> <li>11. Fire Department (Get fire safety inspection certificates)</li> <li>12. CHO (Sanitary Health Permit)</li> <li>13. DTI (New Business Name Application; clearance)</li> <li>14. SSS (Application, initial contribution; clearance)</li> <li>15. Philhealth (Application, clearance, first payment)</li> <li>16. Pag-Ibig (Application, clearance, first payment)</li> <li>17. BPLO (Issuance of Mayor’s Permit)</li> </ol>	<p><u>New Business</u></p> <ol style="list-style-type: none"> <li>1. BPLO (Application)</li> <li>2. Barangay (Business Clearance)</li> <li>3. DTI (Business Name)</li> <li>4. BPLO (Assessment)</li> <li>5. City Treasurer (Payment of Fees)</li> <li>6. City Legal (Subscription of Application)</li> <li>7. BPLO (Issuance of Permit)</li> <li>8. BPLO Chief (Recommending Approval)</li> <li>9. City Mayor (Approval/Signature)</li> <li>10. BPLO (Release of Permit)</li> </ol>
<p><u>Renewal</u></p> <ol style="list-style-type: none"> <li>1. Mayor’s Office (Application Form)</li> <li>2. BPLO (Application Form)</li> <li>3. Barangay Office (Barangay Clearances)</li> <li>4. Fire Department (Fire Safety Assessment)</li> <li>5. BPLO (Licensing; Payment to Cashier)</li> <li>6. CTO – Land Tax Section (Land Tax Arrears)</li> <li>7. CTO – Waterworks Sec. (Check for Water Bills)</li> <li>8. CTO (Payment to Water and Land Tax Cashier)</li> <li>9. Fire Department (Get fire safety inspection certificates)</li> <li>10. CHO (Sanitary Health Permit)</li> <li>11. SSS (Obtain SSS clearance)</li> <li>12. Philhealth (Clearances, Payments)</li> <li>13. Pag-Ibig (Clearances, Payments)</li> <li>14. BPLO (Receive documents, issue Mayor’s permit)</li> </ol>	<p><u>Renewal</u></p> <ol style="list-style-type: none"> <li>1. BPLO (Application)</li> <li>2. BPLO (Assessment)</li> <li>3. City Treasurer (Payment of Fees)</li> <li>4. City Legal (Subscription of Application)</li> <li>5. BPLO (Issuance of Permit)</li> <li>6. BPLO Chief (Recommending Approval)</li> <li>7. City Mayor (Approval/Signature)</li> <li>8. BPLO (Release of Permit)</li> </ol>

## ZAMBOANGA CITY

Like Ormoc City, Zamboanga City conducted a time and motion study, which became the basis of its process improvement efforts beginning in 2005. The study resulted in several reforms, which reduced total processing time.

One measure is the conduct of advance inspections by the concerned entities on fire, health, engineering, city planning and development, agriculture, veterinary, and city legal matters (Administrative Order No. CL- 84-2006 in Annex A). This practice ensures that all required clearances and certificates have been secured before the renewal period.

Another measure adopted by the LGU is the “advance-assessment-and-payment scheme,” which allows business persons to pay their business taxes even before the processing of application and completion of requirements to avoid the “stampede” during the renewal period (Administrative Order CL-10-2005 in Annex B). However, their failure to comply with/submit requirements without valid reason will mean forfeiture of such advance payment in favor of the LGU.

In the first quarter of 2006, business tax collections increased by 18.3 percent, that is, from PhP 44 million in 2005 to PhP 52.1 million in 2006.

In SURIGAO CITY, clearances from the CHO, BFP, Zoning Office and CEO are waived during the business renewal period so that the business owners can complete the registration process in as short a time as possible. A portion of the business permit form indicates that a certain establishment is subject to inspection/compliance within a month.



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# SIX Good Practices

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- 1 ▶ Process Improvement
- 2 ▶ The Business One-Stop Shop
- 3 ▶ Computerization
- 4 ▶ Partnership and Participation
- 5 ▶ Information, Education and Communication
- 6 ▶ Customer Satisfaction

## BUSINESS ONE-STOP SHOP (BOSS)

In the BOSS, departments or offices that are involved in obtaining or renewing a business permit — that is, all the official required signatories — are usually clustered within an open and transparent office, to try to eradicate any opportunity for the commission of graft. This set-up is usually found in LGUs during the annual business renewal period every January 2 to 20.

Renewing business permits can be a time-consuming and costly experience for most businesspersons. They have to comply with more than a dozen requirements from different local offices and NGAs. They also have to move from one office to another as these offices are geographically dispersed throughout the city/municipality.

The BOSS cuts down the time, money, and effort usually needed to secure or renew a business permit. It allows enterprises to complete all business renewal requirements at one time (although for some LGUs, it includes processing of new business applications as well), and the entire process usually takes from 15 minutes to an hour. The key concern of the BOSS is to make the renewal of business permits more convenient for enterprises.

The DILG, through Memorandum Circular No. 2001-120, mandates all provincial governors, city mayors, and municipal mayors to implement the Anti-Red Tape Program for Local Governments through the establishment of a One-Stop Shop Processing Center to complement the simplification of internal regulatory systems.

The BOSS is a practice found in most of the LGUs studied, but some apply unique approaches in their localities.

In Cabuyao, General Santos City, Ormoc City, and Iligan City, the physical layout of offices involved in the BOSS is arranged sequentially, following the movement of papers as indicated in the BPLS flowchart.

Quezon City, General Santos City, and Malaybalay City likewise created separate lanes and schedules for bookkeepers doing multiple transactions so that businesspersons with single transactions do not have to wait long.

## CABUYAO

Cabuyao is the by-word when it comes to the BOSS model for business permit processing. It was the LGU's timely response to the sudden rise in applications for business permits and licenses in 1995, mainly due to the influx of businesses in the rapidly growing municipality.

The local government's old session hall houses the BOSS during the annual business registration period from January 2 to 20, extending up to the end of the month. Dedicated to the operation of the BOSS, it is a 250-sqm. hexagonal, single-detached structure a few steps away from the municipal building.

A total of 10 workstations are spread across the hall, as indicated in the office layout (Figure 3). Personnel from the BPLO, Treasury,

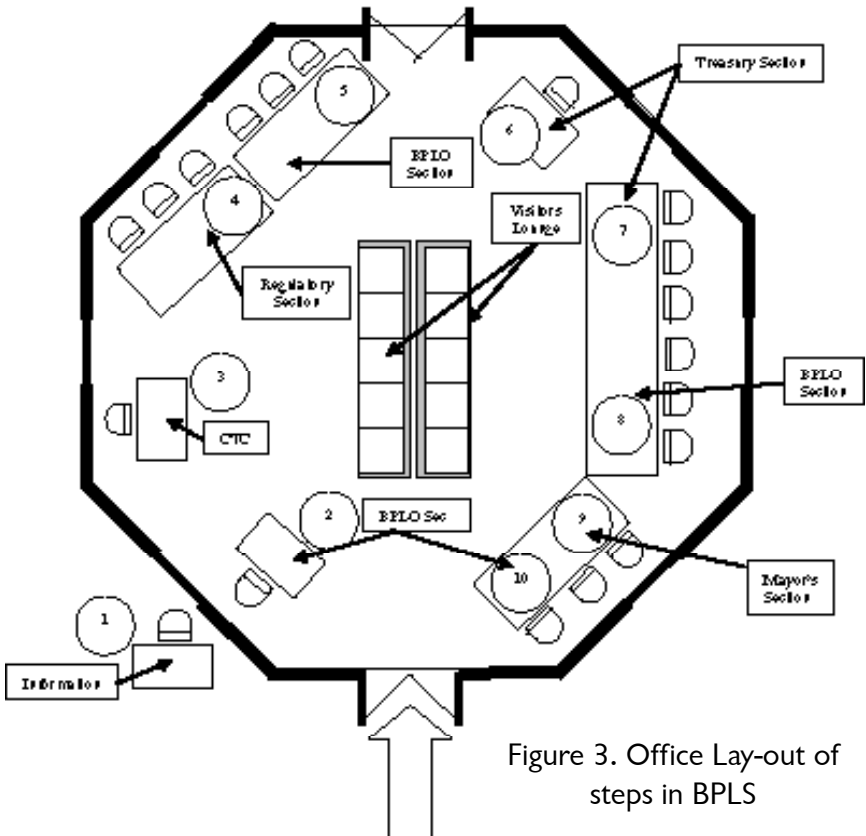


Figure 3. Office Lay-out of steps in BPLS

Regulatory Section (fire, engineering, health, etc.), and the Mayor's Office staff these stations.

The information section is located at the hall entrance to distribute application forms, brief applicants on the requirements, and give out priority numbers.

A process flowchart is illustrated on a bulletin board also located at the entrance.

After filling out the forms and attaching all the requirements, applicants wait for their numbers to be called while enjoying free snacks and refreshments. Once called, they then go through the process of securing the business permit and license, ideally all in one hour flat – a far cry from what used to take three days.

Such efficiency started to bring more in revenues to the LGU's coffers. From PhP 5.34 million in 1995, revenue rose to PhP189.95 million in 2005.

The drastic increase has made it possible for the LGU to vastly improve basic services and undertake more infrastructure projects.

## MALAYBALAY CITY

The setting up of the BOSS in the City of Malaybalay was one of the recommendations arising from a time and motion study conducted in 2005.

During the January 2006 BOSS implementation, the LGU improved the physical layout, ensured the presence of NGAs like the Bureau of Internal Revenue (BIR) at the site, allowed “conditional” approval for applicants who had no record of violations in the previous year, and arranged for the preparation of a separate schedule for “accountants” or “bookkeepers” who were processing five or more applications. These measures effectively reduced processing time from two to three days to just two hours.

As a result, there was a 119.06 percent increase in business taxes collection from PhP 3.27 million in 2005 to PhP 7.16 million in 2006.



## BACOLOD CITY



The BOSS in action in Bacolod City.

The establishment of a BOSS at the Bacolod Arts, Youth and Sports (BAYS) Center were space and convenience factors. The Bacolod City Hall infrastructure could not accommodate the 12,000 to 13,000 clients annually who renew or apply for a business permit.

Likewise, both time and effort are required in traveling the distances between various offices from which clearances are issued, such as the Office of the Building Official (OBO), CHO, City Veterinarian's Office (CVO), CTO and NGAs.

To further improve the services as well as to increase the efficiency and effectiveness of the BOSS, the LGU initiated the following reforms in 2006:

- Authorizing the Secretary of the Mayor to sign business permits on behalf of the Local Chief Executive (LCE).
- Using color coded transactions to let clients know which type of transactions are required for their renewal.

In SURIGAO CITY, the Mayor makes it a point to be at the BOSS site on the first day to greet the first client and give the person a token. He also monitors the time it takes for said client to complete the process.



BPLO staff in the BOSS operation in Muntinlupa City.

- Making city-accredited Notary Publics available within the premises of the BAYS Center who are charging PhP 50.00 for services and PhP 20.00 for documentary stamps.
- Ensuring the presence of all 61 Barangay Captains or Treasurers to facilitate the issuance of the barangay clearance and Community Tax Certificates (CTCs) to business owners (in compliance with DILG MC No. 2001-120, or the Anti-Red Tape Program for Local Government).

These reforms resulted in trimming down the processing time from nine days in 2005 to two days in 2006.

In LA TRINIDAD, the Mayor ensures his availability to sign business permits for the entire duration of the BOSS.

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# SIX Good Practices

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- 4 ▶ Partnership and Participation
- 5 ▶ Information, Education and Communication
- 6 ▶ Customer Satisfaction

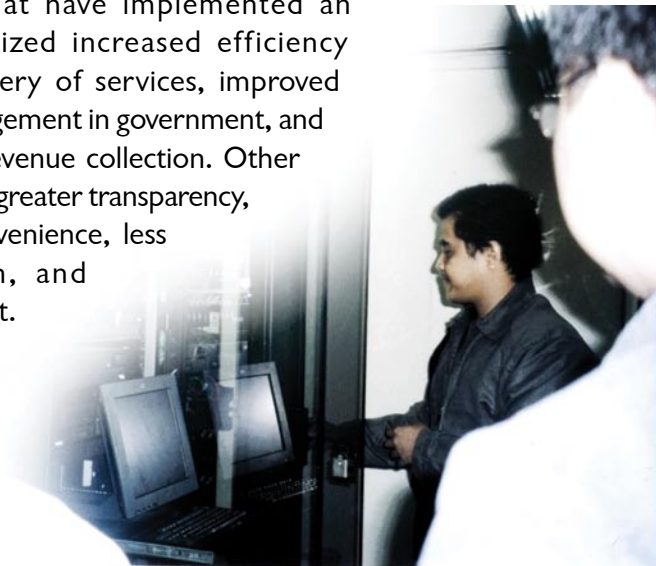
## COMPUTERIZATION

With the introduction of ICT in their areas, many LGUs have begun computerizing their business registration processes. In fact, more than half the LGUs included in the study have implemented full or partial computerization of the BPLS.

Muntinlupa City and Naga City developed their own electronic business permit and licensing system (eBPLS). Quezon City has computerized the operations of their assessment and treasury units to ensure standard and uniform assessment of fees and taxes, while the remaining LGUs have systems development that are either ongoing or in the planning stage.

The cities of Bacolod, Iligan and General Santos have adopted the Tax Revenue and Collection System (TRACS) – a computer system that allows interconnection among the LGU’s treasury, assessment and BPL divisions and provides complete database and tracking capabilities on the LGU’s income sources.

LGUs that have implemented an eBPLS realized increased efficiency in the delivery of services, improved citizen engagement in government, and increased revenue collection. Other benefits are greater transparency, further convenience, less corruption, and reduced cost.



## QUEZON CITY

What is worth noting in Quezon City (QC) is that computerization has enabled local enterprises to make transactions at the city's off-site collection branches in five strategic locations: Cubao, Galas, La Loma, Novaliches, and Talipapa. These off-site branches are electronically linked to the main server of the city government, which guarantees updating of its payments database in real time.

QC was one of the first LGUs to computerize the operations of its assessment and treasury departments in 2001. The move effectively resulted in a speedy and accurate computation of fees and taxes. More importantly, it minimized opportunities for fraud and corruption.

Computerization signaled the start of a series of reforms implemented by incumbent QC Mayor Feliciano R. Belmonte, Jr.

These reforms have resulted in a dramatic turn-around of a once financially bankrupt LGU (Figure 4).

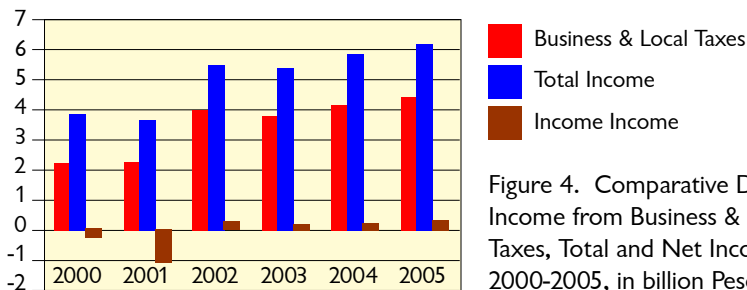


Figure 4. Comparative Data on Income from Business & Local Taxes, Total and Net Incomes, 2000-2005, in billion Pesos

## NAGA CITY

Naga City LGU's Electronic Data Processing (EDP) office first developed the Business Permits and License Tax Information System in 1993. The program, which has since undergone two improvements, allows the local government's Business Licenses and Fees Division (BLFD) to store and see immediately the license, permits, tax, and clearance status of all business entities registered with them.

When a business owner applies for renewal of his license, the software allows the BLFD to make a quick assessment by simply typing

the business entity's company name. This will open a window that will show the assessment of tax and fees, and any delinquencies with the CHO, BFP, CEO, and the CPDO.

The software, however, is not merely a database that stores all this data. It allows the various concerned offices such as the CHO, CEO, CPDO, and BFP to update the database at any time during the year, in effect providing the BLFD real-time access to information. This ensures that the database is automatically updated and eliminates the need to constantly encode or upload the data from another source.

Aside from this facility, business owners may also download application forms from the Naga City website ([www.naga.gov.ph](http://www.naga.gov.ph)) and, through the city's E-Biz facility, view information regarding their businesses online with the use of a Business Identification number (BIN) and Property Index Number (PIN) codes.

The BIN and PIN codes allow business owners to check the status of their business license records such as business data, assessment, and payments, and whether they have to secure any clearances from the concerned offices the next time they renew their licenses.

The screenshot shows a software window titled "Business Information" with a red header bar. Below the header are five tabs: "Transactions" (selected), "Business Assess", "Business Update", "Payments", and "Payment Update". The main content area is titled "Transaction Information" and contains the following fields and sections:

- Transaction No.:** 45555
- Transaction Date:** 1 /21/2004
- Pay Mode:** Quarterly
- Trade Name:** [Empty field]
- TradeID:** 11638
- Business Address:** Roxas Ave. Diversion Road, Naga City
- Location:** CONCEPCION PE
- Com Tax No.:** [Empty field]
- Sanitary Permit:** 100
- Permit No.:** [Empty field]
- Place Issued:** [Empty field]
- Garbage Fee:** 100
- B. Plate No.:** [Empty field]
- Date Issued:** 1 /21/2004
- Fire Insp. Fee:** 100
- Sticker No.:** [Empty field]
- Other Charges:**
  - Health Cert Fee: 216.00
  - Fire Cert Fee: 60.00
  - Bldg Insp Fee: 0.00
  - Plate Fee: 200.00
  - Sticker Fee: 0.00
- Deficiency:**
  - Not OK with Annual Tax
  - Zoning Deficiency
  - Bldg Deficiency
  - Fire Deficiency
  - Health Deficiency
- Additional Fields:**
  - Floor Area:** 50
  - Employees:** 6
  - Delivery Trucks:** 0
  - BillBoard:** 0
  - Other Fee:** 0.00

At the bottom of the window are several buttons: Edit, Delete, Change TradeName, Deficiencies, Business Assessment, Payments, Print Assess, and Close (ESC).

Figure 5. Sample window of Naga City's Business Permits and License Tax Information System.

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# SIX Good Practices

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## PARTNERSHIP AND PARTICIPATION

Partnership-building for the LGU involves purposively developing multi-sectoral alliances with NGAs, the private sector, and NGOs to achieve a common goal. Generating participation, on the other hand, means encouraging the citizenry to contribute meaningfully to government activities, such as improving the design and implementation of LGU policies, programs, projects, and services.

Almost all the LGUs covered in the study were found to have forged partnerships with the business sector or NGAs to improve their BPL registration and renewal processes. LGUs also utilize various consultative mechanisms to solicit citizen/stakeholder inputs (i.e., issues/concerns, ideas/suggestions for improvement). These mechanisms include the conduct of meetings, fora, focus group discussions, workshops, and public hearings. Through consultation and dialogue with stakeholders, the LGUs make people a part of the BPL process as well as the solutions to the problems encountered.





## QUEZON CITY

The Quezon City government forged a strong tie-up with the Quezon City Chamber of Commerce and Industry (QCCCI) and the QCCCI Foundation in its quest to be a more business-friendly city. The partnership led to the establishment of a databank which serves as a source of information on all business enterprises in the city. The information is accessible through electronic networking. The system allows those registering their business or renewing their permits to download the application forms. To sustain the databank, the QC-BPLO collects an additional PhP 100 fee from every business establishment and remits this to the QCCCI for the databank maintenance.

In 2004, the LGU, Liga ng mga Barangay, and the QCCCI Foundation jointly initiated the Barangay ICT Program, through which each of the city's 142 barangays acquired its own computer system with online connection to the City Hall. This facilitated payments by enabling taxpayers to inquire about their liabilities through their respective barangays.

## ILIGAN CITY

Every last quarter of the year, the city government holds a forum with representatives from the LGU, NGAs, business owners, bookkeepers, and interested individual taxpayers. The participants discuss changes and possible improvements in the business registration and renewal process. Called Forum for Business Renewal, this event began in October 1998 when a group of accountants and bookkeepers clamored for faster processing of business permit issuances and recommended that the BPLS process be streamlined. The practice has been supported by every mayor who assumed office in Iligan City.

The city government also taps different organizations like the Philippine Institute of Certified Public Accountants (PICPA) and the local chamber of commerce for inputs.

It is important to note that the LGU believes in maintaining a good relationship with the other agencies involved in the process in order

to promote consultation and dialogue towards continuous improvement. It took some time before it got the cooperation of these agencies, but through the years, these offices agreed that there is a need to come together and this has led to Memoranda of Understanding and Agreement for a better process and system.

The KALIBO LGU maintains good relationships with NGAs involved in the BPL process. It coordinates with the Civil Service Commission (CSC) for skills improvement of its BPLS staff. It promptly submits requirements to Commission on Audit (COA), and works closely with DTI for business requirements.

Taxpayers' lounge in Iligan City BPLO



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# SIX Good Practices

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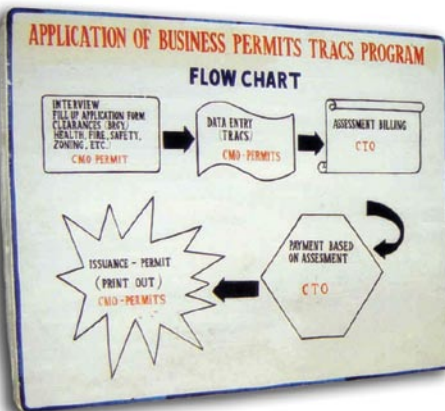
## INFORMATION, EDUCATION, AND COMMUNICATION

Information, Education, and Communication (IEC) refers to promotional activities, information campaigns and mechanisms, and capability building interventions. IEC in the BPL system involves informing potential and existing customers about the requirements, procedures, and service delivery levels involved in the business permit and renewal process.

All the LGUs studied used various media to inform, educate, and communicate with their customers. They produced print materials such as flyers, leaflets, brochures, guidebooks and fact books that describe the business registration and renewal process, service delivery levels, process owners, and documentary requirements. The LGUs also use posters, instruction boards or billboards, and flow charts where the instructions or procedures are enumerated in a language that the taxpayer can easily understand. These visual aids are prominently displayed in strategic areas within the BPLO, e.g., the entrance.

Some LGUs use interpersonal communication to orient participants on the BPL process. Three LGUs cited that they a “roving jeep,” with a public address system, which is used for

information dissemination on the BPL prior to the renewal period. Additionally, certain LGUs also use broadcast media such as radio and television as well as the Internet for their campaigns.



## OZAMIZ CITY

As early as December, a month prior to the business permits and license application season, there is an information drive or “rekorida” wherein public announcements are made regarding the BPLS as well as the deadline for application.

Another practice is that of convening the barangay captains at least a month before the operation of the BOSS for an orientation on what will happen during renewal period. This practice helps reduce the difficulties that registrants encounter when getting the barangay clearance from their chairmen.

## GENERAL SANTOS CITY

The LGU of General Santos City educates its constituents through various means. For one, it publishes and disseminates a service manual called “Procedural Guidelines” that contains the processes involved in transacting business with the city government, e.g., securing of business permits and licenses and other services offered by different city government offices. This manual was jointly produced by the City Government and General Santos City Chamber of Commerce and Industry (GSCCCI) to further enhance and improve the delivery of basic services to the people.

Investors and business persons can also log on to the city’s website, [www.gensantos.gov.ph](http://www.gensantos.gov.ph), to access information such as the BOSS schedule, process flow, and requirements for business permit renewal and applications.

Every Friday, the City Government conducts the “City Hall sa Barangay” where the City Mayor and the heads of offices bring the services of the city hall to the people in the barangays.



Service manual distributed to constituents by General Santos City LGU.

## KALIBO

The Kalibo LGU carries out massive information dissemination through its own Community Broadcast Information System. Every morning, constituents can call the LGU hotline for any complaints on its services. They can even dialogue with the mayor on their concerns.

The LGU also puts up flowcharts and signages in its office.

In line with its thrust to deliver prompt and efficient service to its clientele, the LGU produced a Service Handbook which itemizes all transactions in the LGU with their corresponding fees, time allotment per step/station, contact persons, flowchart of each service, requirements and procedures, etc. This handbook is currently being updated to include new systems and new fees.

As our valued client, it is important that you  
**KNOW YOUR RIGHTS AND RESPONSIBILITIES**

When dealing with us,

**YOU HAVE THE RIGHT:**

1. to be treated with courtesy
2. to review and appeal
3. to file a complaint
4. to confidentiality
5. to access information and services
6. to comfort and convenience while waiting to be served.

**FOR US TO SERVE YOU BETTER, WE ENCOURAGE YOU TO:**

1. treat agency staff with courtesy
2. attend scheduled meetings regularly
3. give accurate and timely information
4. observe agency policies
5. extend cooperation and support in the processing of your business transactions
6. be actively involved or participate in the development programs and other undertakings of the agency.

Source: Kalibo Service Guide Handbook

Since clients have a clear picture of how, to whom, at what cost, and the length of time their transaction will require, fixers and under-the-table transactions have been eliminated.

## MARIKINA CITY

In 2004, Marikina City issued a Citizen’s Fact Book – a guide to essential city services, offices, and processes. The Fact Book contains a vast amount of useful data on Marikina City. It has a list of the top 100 business establishments, population ratios, health statistics, and progress indicators. It also contains details on the requirements and procedure for business permit applications – new applications, applications for renewal, and the retirement of businesses.

Marikina City also issues brochures on the BPLO requirements and processes; pamphlets on basic services and current facts; and flyers letting citizens know of the latest city programs and projects.

Marikina has its own radio station where citizens are updated through radio programs on the City Government programs and services.



Brochure distributed by Marikina City BPLO.





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# SIX Good Practices

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## CUSTOMER SATISFACTION

The key to any service delivery is the customer. The customer is the be-all and end-all of any organization. Because organizations exist to serve their customers, knowing what pleases them is of prime importance. Most of the LGUs in this study expressed awareness of satisfying the taxpayers who are either applying for or renewing their business permit.

Some LGUs have been systematic in finding out how to achieve customer satisfaction. They obtain customer feedback through data-gathering methods such as a survey. Other feedback mechanisms are suggestion boxes and customer complaints desks.

In eliciting client feedback on the streamlined BPL processes, the cities of Bacolod and Ormoc administered customer survey questionnaires to business permit applicants during the January 2005 and 2006 BOSS implementation.

Most of the LGUs gave importance to the improvement of their BPLOs, especially the waiting or taxpayer's lounge. Some LGUs have constructed or, as in the case of Ormoc City, are constructing new buildings. Still others provide such amenities as air-conditioning, television, refreshments, candies, etc.

Another focus area under customer satisfaction is the BPL personnel. A large number of LGUs provide friendly and accommodating personnel to assist customers, especially during the BOSS period. During this time, the LGU employs additional staff to support the existing BPLO workforce in making the process as convenient as possible for clients.

Other unique approaches found were the adoption of a "no lunch break" policy in providing services to its customers and the delivery of the approved business permit to the applicants.

## MARIKINA CITY

Business persons in Marikina City are pleased with the convenience and the speed at which new permits are issued or are renewed at the BOSS. One factor is the delivery of the permit to the applicant's home or place of business. An applicant who has been assessed and has paid is issued a temporary license which already allows it to operate.

Another customer-oriented measure is the “no lunch break” policy. The counters at the BPLO and other offices, such as the Real Property Tax Office (RPTO) and the Treasury Department, service customers even during lunch breaks. Then there is the queuing system wherein customers are issued numbers and an electronic display that shows the current number being served. A 100-inch flat screen television keeps waiting customers entertained.

The BPL application form in OZAMIZ CITY has a built-in signature schedule feature wherein all the signatories needed are indicated in a box on the form itself. This allows the applicant to easily check the status of his/her compliance with requirements.

## ILIGAN CITY

Iligan City invests heavily in customer-oriented personnel. It has adopted the Public Service Excellence Program (PSEP) under which the LGU conducts customer satisfaction surveys



BPLO staff manning the payments counter in Surigao City.

twice a year. Based on the results of the surveys, the LGU recommends interventions to address performance gaps. In 2003, for example, frontliners directly dealing with taxpayers were trained under the PSEP. Negative feedback from customers on frontliners leads to either training for the concerned staff or outright replacement.

The LGU also makes it a point to conduct orientation seminars and dry-runs before the actual business renewal period.

Like the other LGUs in this study, Iligan City invests in a customer-friendly environment. Its waiting lounge is equipped with a TV, comfortable seating, tables, and a refreshment where free coffee and candies are served. It ensures that its front liners are friendly and accommodating.

## GENERAL SANTOS CITY

In General Santos City, the taxpayer's lounge at the CTO was renovated to demonstrate transparency in their operations as well as to provide more comfort to the paying public. For one, the staff manning the payment counters and those behind them are seen through glass windows. The waiting area which can seat about 50 clients is equipped with an air-conditioning unit and a television set. It also has an electronic numbering system where clients are entertained on a first come, first served basis.

The city government has increased access to its BPL services through the City Economic Management and Cooperative Development Office (CEMCDO). This unit is mandated to assist new businesses, invite investors, and promote tourism in the country. The CEMCDO is also tasked to accept and process business applications.



Taxpayers' lounge in Surigao City.

# Annexes



Republic of the Philippines  
OFFICE OF THE CITY MAYOR  
City of Zamboanga



CELSO L. LOBREGAT  
City Mayor

EXECUTIVE ORDER NO. CL 84-2006

INSTITUTIONALIZING THE ADVANCE INSPECTION PROCEDURE IN BUSINESS LICENSING, AND PURSUANT THERETO, DIRECTING ALL DEPARTMENTS AND DIVISIONS CONCERNED TO CONDUCT ADVANCE INSPECTION ANNUALLY AND SUBMIT PROGRESS REPORT REGULARLY TO THE CHIEF EXECUTIVE AS SPECIFIED HEREUNDER

WHEREAS, the local government acknowledges the importance of expediting the yearly renewal process of business licenses to accelerate and improve the delivery of services to the public;

WHEREAS, the proper conduct and monitoring of advance inspection is very crucial in the improvement of the entire renewal process of business license; and

WHEREAS, there is a need to institutionalize the advance inspection process in order to accelerate, improve and ensure the proper conduct of this procedure,

NOW, THEREFORE, I, CELSO L. LOBREGAT, Mayor of the City of Zamboanga, by virtue of the powers vested in me by law, do hereby institutionalize and adopt the Advance Inspection Procedure in the renewal of business permits with the following specific guidelines, to wit:

1. Advance inspection on all existing business establishments shall be conducted by the Bureau of Fire Protection, City Health Office, City Engineer's Office, City Planning and Development Office, City Agriculturist's Office, City Veterinarian's Office, City Legal Office and the City Tourism Division within the year from February to November,

in preparation for the renewal of business licenses on January 1 to 20 of the succeeding year.

2. Each Department, Division, or Office is required to issue to the owner of each business establishment an after inspection report (such as Sanitary Permit, Fire Safety Certificate, etc.) indicating therein the result of the inspection, the date and time the inspection was conducted, the name of the owner or representative of the business establishment who was present during the inspection, and the name of the employee/s who conducted the inspection.
3. Employee/s conducting the advance inspection are required to inform the owner or representative of each business establishment they inspect, that the after inspection report is a requirement for the renewal process and should be attached to their Business Application Form during the renewal period.
4. Each Department, Division, or Office is required to update in the Business Permits and Licensing System (BPLS) Database the status of each business establishment inspected as to approve, disapprove, or for re-inspection.
5. Each Department, Division, or Office conducting advance inspection should submit a monthly progress report to the Chief Executive indicating therein the number of business establishments to be inspected within the year, the schedule for inspection of said business establishments, and the number of business establishments already inspected as of submission of monthly report.
6. The validity of the Advance Inspection result is for one fiscal year except for food related business establishments whose inspection result is updated quarterly.

This order shall take effect upon its approval.

SO ORDERED.

Done in the City of Zamboanga, Philippines, this 8<sup>th</sup> day of March, in the Year of our Lord, 2006.

City Mayor



Republic of the Philippines  
OFFICE OF THE CITY MAYOR  
City of Zamboanga



CELSO L. LOBREGAT  
City Mayor

ADMINISTRATIVE ORDER NO. CL-10-2005

PRESCRIBING THE PROCEDURES IN THE PROCESSING, PAYMENT AND  
ISSUANCE OF BUSINESS PERMITS IN THE CITY OF ZAMBOANGA

WHEREAS, the law mandates that all taxes and other revenues of the City are to be collected properly so that City funds are applied to the payment of its expenses, settlement of its obligations and the delivery of basic services and to provide adequate facilities to its constituents;

WHEREAS, there is a need to maximize the generation of revenues from the processing and issuance of business permits and this objective may be better achieved by prescribing procedures to effect its efficient collection;

WHEREAS, the issuance of this Order is an essential and necessary component to achieve this objective bearing in mind that in the conduct of business, requirements of pertinent laws should also be complied with and that a business permit is only a privilege and not a right.

NOW, THEREFORE, I CELSO L. LOBREGAT, City Mayor of Zamboanga, by virtue of the powers vested in me by law, do hereby ORDER:

A. TREATMENT OF BUSINESS APPLICATIONS.

1. Whenever a NEW application for issuance of a business permit is filed for the first time with the Business Permits and Licensing Division (BPLO), Office of the City Mayor but the business establishment is known upon disclosure, investigation/inspection TO HAVE BEEN IN EXISTENCE, then the assessment shall cover the previous year's gross sales only, and all other appropriate fees and charges, et al.



Further, this new application would be considered as a RENEWAL instead;

2. Whenever an applicant files for a NEW application but available records reveal that either a PREVIOUS APPLICATION has been filed which for one reason or another was not perfected or not acted upon but it appears that a PREVIOUS PERMIT has been issued, then all delinquencies in payment of taxes, fees and penalties shall be applied. Thereafter, the application shall be treated as a RENEWAL;

#### B. LOCATIONAL CLEARANCE

3. In case of a new business, a locational clearance and temporary permit shall be secured from the City Planning and Development Office.
4. In case of renewal, the locational clearance and occupancy permit previously issued to a structure/building in which a business establishment is located and operating, the verification and confirmation thereof, would suffice the approval of such application for renewal.
5. Temporary locational clearance shall be renewed subject to the payment of annual fees and charges.

#### C. AFFIDAVIT OF UNDERTAKING

6. All previous Affidavits of Undertaking shall be complied on the expiry/effectivity dates appearing therein. However, for the non-compliant business establishments/operators, an extension until June 30, 2006 may be granted. In which case, the applicant shall execute anew such duly notarized Affidavit of Undertaking and shall comply with the terms thereof otherwise his/her business permit is deemed revoked/cancelled.

#### D. ADVANCE ASSESSMENT AND PAYMENT PROCEDURE

7. To effect proper assessment of business application and avoid the so called “rush-hour”, the “advance-assessment-and-payment-scheme” is hereby adopted for any application for renewal with the BPLO

prior to the processing of concerned offices/departments of said application and the submission of the requisite documents for such renewal. However, for failure of the applicant to comply/submit the requisite documents without valid reasons, such advance payment shall be forfeited in favor of the City of Zamboanga.

**E. NATURE OF BUSINESS PERMIT**

8. The issuance of a Business Permit shall not in any way be construed to legalize any illegal activity or any illegal act. Violation of any existing laws and ordinances shall subject the permit to its revocation/cancellation being only a privilege and not a right.

**F. EFFECTIVITY:**

9. This Administrative Order shall take effect immediately.

SO ORDERED.

Done in the City of Zamboanga, Philippines, December 29, 2005.

CELSO L. LOBREGAT  
City Mayor



Sample Business Permit Application Form (Back)

**GENERAL REQUIREMENTS TO BE ATTACHED TO BUSINESS APPLICATION**

1. One (1) pc. recent photo of Owner or Manager (colored 2x2)
2. Barangay Clearance with Official Receipt (Barangay Hall)
3. Official Receipt for Police Clearance (Office of the City Treasurer)
4. Locational Clearance with Official Receipt (Office of the City Planning and Development Coordinator)
5. Sanitary and Health Certificate with Official Receipt (Office of the City Health Officer)
6. Community Tax Certificate (Current Year)

**OTHER REQUIREMENTS**

**OFFICE OF THE CITY TREASURER**

Photocopy of Income Tax Return (ITR) for year 2003 (2 copies)  
 Financial Statement certified by a CPA or duly notarized (2 copies)

**OFFICE OF THE CITY AGRICULTURIST**

Agriculturist Clearance Certificate

**A. LUMBER DEALER AND WOOD PROCESSOR**

Certificate of Lumber Registration (Department of Environment & Natural Resources IX)

**B. COCO LUMBER DEALER**

Certificate of Registration (PCA Office)

**C. SAND AND GRAVEL DEALER**

Quarrying Permit

**D. POWER SAW OPERATOR**

Invoice of Power Saw

**TOURISM DIVISION, OFFICE OF THE CITY MAYOR**

Separate sheet of requirements to be given by Licenses Division (Mayor's Office)  
 for: Hotels, Inns, Motels/Lodges, Pension Houses, Restaurants, Cafés, Coffee Shops, Bars, Fast Foods,  
 Spas/Massage Clinic, Tours & Travel Agencies, Ticketing Offices & Resorts, Event Organizers/Other Services

**OFFICE OF THE CITY VETERINARIAN**

Veterinary Inspection Report (for all types of business listed below)

**A. MEAT VENDOR (retailer, wholesaler, processor, distributor, meat shops, lechon, barbecue)**

Official Receipt for payment of Meat Vendor fee

**B. MEAT DELIVERY VAN**

Photocopy of Vehicle Registration  
 Official Receipt for payment of Meat Delivery Van Fee

**C. FOOD ESTABLISHMENT**

**D. POULTRY DRESSING PLANT, SLAUGHTERHOUSE, FLEA MARKET, ROASTING PLACE**

Barangay Resolution, Franchise to Operate, Environmental Compliance Clearance,  
 National Meat Inspection Commission Certificate, Official Receipt for Butcher/Dresser Fee

**E. LIVESTOCK, POULTRY FARMS**

Barangay Resolution, Environmental Compliance Clearance

**F. AGRIVET SUPPLIES, ANIMAL & AQUA FEEDS, ANIMAL CLINICS, PET SHOPS**

Bureau of Animal Industry Registration Certificate

**G. MANUFACTURERS OF ANIMAL FEED, FISH MEAL, COPRA MEAL, ANIMAL FEED INGREDIENTS**

Bureau of Animal Industry Registration Certificate (BFAR)  
 Environmental Compliance Clearance (DENR)

Approval of CITY LEGAL OFFICER \_\_\_\_\_ CITY TREASURER \_\_\_\_\_

for: computer and other video games

DTI Certificate of Registration of Business Name (Department of Trade and Industry IX)

License to Operate (Camp Crame) and RECOM IX Certificate  
 for: Guns & Ammos Dealer, Gun Repair Shops, and Security Agencies

MTRCB Certificate for Cinema (MTRCB Office Manila)

VRB Certificate for VHS, VCD, DVD Rental (Videogram Regulatory Board, Manila)

Contractor License (PCAB-DTI Manila)

Fire Safety Inspection Certificate (Zamboanga City Fire Department)

NTC (National Telecommunication Commission)

Issued by: \_\_\_\_\_ Received by: \_\_\_\_\_



## Annex E

### List of Key Informants and Contact Details

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#### BACOLOD CITY

Hon. Evelio “Bing” Leonardia, City Mayor  
Ms. Ardis Jaculina, Chief, PLD  
Dr. Rogelio Balo, Secretary to the Mayor  
Tel. No.: (034) 435-1111 • Fax No.: (034) 435-3333

#### CABUYAO, LAGUNA

Hon. Nila Aguillo, Municipal Mayor  
Mr. Ruben H. Refrea, BPLO License Officer IV  
Ms. Marina G. Silan, Administrative Assistant  
Tel/Fax. No.: (049) 531-4554

#### GENERAL SANTOS CITY

Hon. Pedro B. Acharon, Jr., City Mayor  
Mr. Rodrigo O. Salangasang, City Administrator  
Engr. Dumagan, Deputy City Administrator  
Mr. Rodilon G. Lacap, CPA, City Treasurer  
Mr. Juan B. Odi, Officer-in-Charge, BPLD  
Mr. Nathaniel Bustos, Licensing Officer III, BPLD  
Tel. Nos.: (083) 552-7321; (083) 301-2747 • Fax No.: (083) 554-4212  
Email: [cmo@gensantos.gov.ph](mailto:cmo@gensantos.gov.ph) • [www.gensantos.gov.ph](http://www.gensantos.gov.ph)

#### ILIGAN CITY

Hon. Lawrence L. Cruz, City Mayor  
Mr. Francisco Almanzor, Local Treasury Operation Officer III (OIC-BTD)  
Mr. Jaime B. Paalisbo, OIC, Lanao del Norte Provincial Office, DTI  
Ms. Minda Usman, Trade & Industry Division Specialist, DTI  
Tel. No.: (063) 221-6758 • Fax No.: (063) 221-9060 • [www.iligan-city.gov.ph](http://www.iligan-city.gov.ph)

#### ILOILO CITY

Hon. Jerry P. Treñas, City Mayor  
Mr. Choy Tan, City Administrator  
Mr. Francis Cruz, Executive Assistant  
Mr. Francis Teh, LGU Department Head  
Ms. Lerma Espanola, Permits Division Chief  
Ms. Karen Kapaw-an, Community Affairs Officer  
Mr. Ben Jimena, Consultant  
Tel. No.: (033) 337-3573 • Fax No.: (033) 335-3617

## KALIBO, AKLAN

Hon. Raymar A. Rebaldo, Municipal Mayor  
Mr. Noel Dela Cruz, Supervising Administrative Officer IV  
Ms. Elsa M. Tabuena, Municipal Treasurer  
Tel. No.: (036) 262-3241 • Fax No.: (036) 221-9060

## LA TRINIDAD, BENGUET

Hon. Nestor B. Fongwan, Municipal Mayor  
Ms. Joan L. Costina, Licensing Officer III, BPLS  
Ms. Myrna T. Bagano, Licensing Officer II, BPLS  
Ms. Grace K. Daodao, Collection Revenue Officer I, Municipal Treasurer's Office  
Ms. Sharon D. Dacumos, Statistician II, Municipal Planning & Development Office  
Tel. No.: (074) 422-2601 • Fax No.: (074) 309-3248

## MARIKINA CITY

Hon. Ma. Lourdes C. Fernando, City Mayor  
Mr. Apolonio B. Santos, Chief, BPLO  
Ms. Josephine Aldea, Assistant Chief, BPLO  
Tel. No.: (02) 646-2360-70 loc. 218, 646-2354

## MUNTINLUPA CITY

Mr. Edgar Mariñas, Licensing Officer IV, BPLO  
Mr. Gary Llamas, Chief, BPLO  
Ms. Rochie Soriano, Computer Section Supervisor, BPLO  
Ms. Zita Pelaez, Data Controller IV, BPLO, City Government of Muntinlupa  
Tel. No.: (02) 543-0809/0810 • Fax No.: (02) 862-5316  
<http://www.muntinlupacity.gov.ph>.

## NAGA CITY

Hon. Jessie Robredo, City Mayor  
Mr. Rodrigo C. Belleza, City Treasurer  
Ms. Gregoria Nilda B. Abonal, LRCO IV, BLFD  
Mr. Ruel Oliver, Naga City Investment Board  
Mr. Jun Pedro, EDP Office  
Tel. No.: (054) 473-2240 • Tel. No.: (054) 811-1286 • [www.naga.gov.ph](http://www.naga.gov.ph)

## ORMOC CITY

Hon. Eric C. Codilla, City Mayor  
Mr. Emilio G. Tingson, BPLO Chief  
Ms. Ludelina D. del Socorro, BPLO  
Ms. Maria Feliche C. Baltazar, IT-CPDO  
Ms. Sarah Poniente, MAO  
Tel. No.: (053) 255-3242 • Fax No.: (053) 255-7395 • [www.ormoc.gov.ph](http://www.ormoc.gov.ph).

## QUEZON CITY

Hon. Feliciano R. Belmonte, Jr., City Mayor

Mr. Pacifico Maghacot, Jr., BPLO Chief

Atty. Voltaire Enriquez, Assistant City Treasurer

Ms. Virginia V. Cana, Business Permits Division Head

Ms. Regina A. Samson, Head, Communications Coordination Center

Mr. Nathan Zulueta, QCCCI Foundation President

Tel. No.: (02) 924-3592 • Fax No.: (02) 921-6750 • [www.quezoncity.gov.ph](http://www.quezoncity.gov.ph)

## SURIGAO CITY

Hon. Alfonso S. Casurra, City Mayor

Tel. No.: (086) 826-0249 • Fax No.: (086) 826-4131

## OZAMIZ CITY

Hon. Reynaldo O. Parojinog, Sr., City Mayor

Ms. Aida Cipres, Assistant City Treasurer

Ms. Teresa Paler, Assistant City Treasurer for Administration

Ms. Josephine Requilme, Local Treasury Operation Officer III

Mr. Jeric Roa, License and Permit Division Chief

Tel. No.: (088) 521-1390

## ZAMBOANGA CITY

Hon. Mayor Celso L. Lobregat, City Mayor

Mr. Antonio G. Orendain Jr., City Administrator

Mr. Dañgin B. Jacinto, Licensing Officer IV, Chief, Permits and Licenses Division

Mr. Cesar Mandin, Head, Computer Division

Ms. Soledad L. Li, City Treasurer

Tel. No.: (062) 991-3491/4525 • Fax No.: (062) 991-1889



## Income Classification of LGUs

Per Department Order No. 20-05 (as of July 29 2005)

LGU	Income Class	Average Income for 2000-2003 (in million PhP)
<b>LUZON</b>		
Cabuyao, Laguna	1 <sup>st</sup> class	271.854
La Trinidad, Benguet	1 <sup>st</sup> class	79.044
Marikina City	1 <sup>st</sup> class	699.480
Muntinlupa City	1 <sup>st</sup> class	861.585
Naga City	2 <sup>nd</sup> class	287.122
Quezon City	Special City	
<b>VISAYAS</b>		
Bacolod City	1 <sup>st</sup> class	565.732
Iloilo City	1 <sup>st</sup> class	570.012
Kalibo, Aklan	1 <sup>st</sup> class	68.671
Ormoc City	1 <sup>st</sup> class	400.467
<b>MINDANAO</b>		
General Santos City	1 <sup>st</sup> class	587.905
Iligan City	1 <sup>st</sup> class	616.331
Malaybalay City	1 <sup>st</sup> class	397.532
Ozamiz City	3 <sup>rd</sup> class	221.692
Surigao City	2 <sup>nd</sup> class	252.984
Zamboanga City	1 <sup>st</sup> class	965.448

Source: Department of Finance – Bureau of Local Government Finance

## Annex G

### Members of the Consultative Body (in Alphabetical Order)

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AGENCY	REPRESENTED BY
Canadian International Development Agency (CIDA)	Ms. Joseph Goodings Second Secretary
City Government of Muntinlupa	Ms. Glenda P. Zamora Mr. Edgar Marinas
Department of the Interior and Local Government - Bureau of Local Government Supervision (DILG-BLGS)	Ms. Magdalena Fajardo
Department of Trade and Industry - Bureau of Small and Medium Enterprise Development (DTI-BSMED)	Dir. Rhodora M. Leano Asst. Dir. Jerry Clavesillas Ms. Elvira Tan Ms. Zenaida Pre
German Technical Cooperation (GTZ)	Ms. Martina Vahlhaus Program Manager Ms. Ulla Keppel Mr. Armando Datuin
International Finance Corporation (IFC)	Mr. Euan Marshall Country Coordinator
League of Cities of the Philippines (LCP)	Ms. Len Sicat Ms. Frances Larla C. Sevilla
Philippine Chamber of Commerce and Industry (PCCI)	Ms. Grace Morella
The Asia Foundation (TAF)	Ms. Ma Belen Bonoan

## ANNEX H

### The DAP Project Team

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Team Leader	Ms. Paz Resurreccion M. Alip
Project Manager	Ms. Joanne Q. Nuque
Supervising Fellow	Ms. Elena Avedillo-Cruz
Support Staff	Ms. Shirley T. Cubilla

Published by

**Bureau of Small and Medium  
Enterprise Development**



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in cooperation with

**German Technical Cooperation**



GTZ Office Manila  
Ninth Floor, PDCP Bank Center Building  
Corner V.A. Rufino and Leviste Streets  
Salcedo Village, Makati City, Philippines  
Phone: (632) 812-3165  
Fax: (632) 753-1441  
Email: [smedsep@mozcom.com](mailto:smedsep@mozcom.com)  
Website: [www.smedsep.com](http://www.smedsep.com)

and



**The Asia Foundation (TAF)**

36 Lapu-Lapu Avenue  
Magallanes Village  
Makati City, Philippines  
Phone: (632) 851-1456  
Fax: (632) 853-0474  
Website: [www.asiafoundation.org](http://www.asiafoundation.org)