

**[ DTI JOINT MEMORANDUM CIRCULAR NO. 01, S.  
2010, August 06, 2010 ]**

**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 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 Conveners 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 is 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 locally.

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.

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, inspection 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 Treasurer and the City/Municipal Fire Marshall shall be organized to conduct joint inspections 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 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