2019 Public Sector HR Symposium

“EASE OF DOING BUSINESS”

Atty. Ernesto V. Perez
Deputy Director General
Anti-Red Tape Authority
Ease of Doing Business and Efficient Government Services Delivery Act of 2018
## GLOBAL COMPETITIVENESS REPORT

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<tr>
<td>2. Economic Freedom Index</td>
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<td>70/178</td>
<td>76/178</td>
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<td>97/177</td>
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<td>115/179</td>
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<td>72/132</td>
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<td>-</td>
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<td>54/178</td>
<td>48/178</td>
<td>52/178</td>
<td>59/178</td>
<td>56/177</td>
<td>50/177</td>
<td>-</td>
<td>↓ 2</td>
<td>Fund for Peace</td>
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<td>12. World Competitiveness Yearbook</td>
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<td>41/63</td>
<td>42/60</td>
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<td>42/60</td>
<td>38/60</td>
<td>43/59</td>
<td>41/59</td>
<td>-</td>
<td>↓ 9</td>
<td>International Institute for Management Development</td>
<td>13</td>
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</table>

*Latest Performance*  *Reverse Ranking 1 as worst*  **New Methodology**
2019 DOING BUSINESS SURVEY

Overall Ranking

2018 113th ➤ 2019 124th
OUT OF 190 COUNTRIES

Ease of Doing Business Score

2018 56.32 ➤ 2019 57.68
*World Bank adjusted the PH EODB Scores from 58.47
<table>
<thead>
<tr>
<th>Rank</th>
<th>Economy</th>
<th>EODB Score</th>
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<tbody>
<tr>
<td>120</td>
<td>Egypt, Arab, Rep.</td>
<td>58.56</td>
</tr>
<tr>
<td>121</td>
<td>Honduras</td>
<td>58.22</td>
</tr>
<tr>
<td>122</td>
<td>Cote d’Ivoire</td>
<td>58.00</td>
</tr>
<tr>
<td>123</td>
<td>Ecuador</td>
<td>57.94</td>
</tr>
<tr>
<td>124</td>
<td>Philippines</td>
<td>57.68</td>
</tr>
<tr>
<td>123</td>
<td>Belize</td>
<td>57.13</td>
</tr>
<tr>
<td>126</td>
<td>Tajikistan</td>
<td>57.11</td>
</tr>
<tr>
<td>127</td>
<td>Uganda</td>
<td>57.06</td>
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<tr>
<td>128</td>
<td>Iran, Islamic Rep.</td>
<td>56.98</td>
</tr>
<tr>
<td>129</td>
<td>Barbados</td>
<td>56.78</td>
</tr>
<tr>
<td>130</td>
<td>St. Vincent and the Grenadines</td>
<td>56.35</td>
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Source: 2019 Doing Business Report
Comparison of Global Rank, EODB Scores and EODB Score Changes, 2018-2019: Philippines vs ASEAN

*Source: 2019 Doing Business Report

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<td>Singapore</td>
<td>2</td>
<td>85.24</td>
<td>2</td>
<td>84.57</td>
<td>0</td>
<td>+0.27</td>
</tr>
<tr>
<td>2</td>
<td>Malaysia</td>
<td>15</td>
<td>80.60</td>
<td>24</td>
<td>78.43</td>
<td>+9</td>
<td>+2.57</td>
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<tr>
<td>3</td>
<td>Thailand</td>
<td>27</td>
<td>78.45</td>
<td>26</td>
<td>77.44</td>
<td>-1</td>
<td>+1.06</td>
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<tr>
<td>4</td>
<td>Brunei</td>
<td>55</td>
<td>72.03</td>
<td>56</td>
<td>70.60</td>
<td>+1</td>
<td>+1.85</td>
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<tr>
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<td>Vietnam</td>
<td>69</td>
<td>68.36</td>
<td>68</td>
<td>67.93</td>
<td>-1</td>
<td>+1.59</td>
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<tr>
<td>6</td>
<td>Indonesia</td>
<td>73</td>
<td>67.96</td>
<td>72</td>
<td>66.47</td>
<td>-1</td>
<td>+1.42</td>
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<tr>
<td><strong>7</strong></td>
<td>Philippines</td>
<td><strong>124</strong></td>
<td><strong>57.68</strong></td>
<td><strong>113</strong></td>
<td><strong>58.74</strong></td>
<td><strong>-11</strong></td>
<td><strong>+1.36</strong></td>
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<tr>
<td>8</td>
<td>Cambodia</td>
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<td>135</td>
<td>54.47</td>
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<td>9</td>
<td>Lao PDR</td>
<td>154</td>
<td>51.26</td>
<td>141</td>
<td>53.01</td>
<td>-13</td>
<td>+0.11</td>
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<tr>
<td>10</td>
<td>Myanmar</td>
<td>171</td>
<td>44.72</td>
<td>171</td>
<td>44.21</td>
<td>0</td>
<td>+0.51</td>
</tr>
</tbody>
</table>
UPGRADES AND DOWNGRADES
Philippine Rankings 2018-2019

- **Starting a Business**
  - From 173 to 166
  - **+7**

- **Dealing with Construction Permits**
  - From 101 to 94
  - **+7**

- **Getting Electricity**
  - From 31 to 29
  - **+2**

- **Protecting Minority Investor**
  - From 146 to 132
  - **+14**

- **Paying Taxes**
  - From 105 to 94
  - **+11**

- **Registering Property**
  - From 114 to 116
  - **-2**

- **Getting Credit**
  - From 142 to 184
  - **-42**

- **Trading Across Borders**
  - From 99 to 104
  - **-5**

- **Enforcing Contracts**
  - From 149 to 151
  - **-2**

- **Resolving Insolvency**
  - From 59 to 63
  - **-4**

Source: 2019 Doing Business Report
FILIPINOS ARE YOUNGER COMPARED TO THE REST OF THE WORLD

The median age in the Philippines is 24.1 years old. This is equivalent to the age of someone who recently graduated from college.
Our workforce is:

- Highly educated and English Proficient
- Strongly customer-oriented
- Highly trainable with fast learning curve
- Adaptable to universal cultures
- High level of commitment and loyalty

We produced over 708,000 college graduates in AY 2017-2018 across a wide range of disciplines.

### Breakdown of Graduates by Priority Discipline (AY 2017-18)

<table>
<thead>
<tr>
<th>Discipline</th>
<th>Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry, Veterinary Medicine</td>
<td>25,421</td>
</tr>
<tr>
<td>Architectural and Town Planning</td>
<td>4,392</td>
</tr>
<tr>
<td>Education</td>
<td>145,421</td>
</tr>
<tr>
<td>Engineering and Technology</td>
<td>86,934</td>
</tr>
<tr>
<td>IT Related</td>
<td>86,933</td>
</tr>
<tr>
<td>Mathematics</td>
<td>3,104</td>
</tr>
<tr>
<td>Maritime</td>
<td>25,996</td>
</tr>
<tr>
<td>Medicine and Health Related</td>
<td>43,188</td>
</tr>
<tr>
<td>Sciences</td>
<td>7,827</td>
</tr>
<tr>
<td>Others</td>
<td>279,229</td>
</tr>
<tr>
<td><strong>TOTAL GRADUATES</strong></td>
<td><strong>708,445</strong></td>
</tr>
</tbody>
</table>

### Higher Education Graduates

**AY 2015 - 2018**

- **2015-16**: 309,048
- **2016-17**: 327,402
- **2017-18**: 328,581

**Source:** CHED
RA No. 11032
A GAME CHANGER.
GROUNDBREAKING.

- Signed on May 28, 2018
- Effectively amends RA 9485, or the Anti-Red Tape Act of 2007
- Published in two (2) newspapers of general circulation on June 2, 2018 the Official Gazette on June 11, 2018
- Effective 17 June 2018
THE IMPLEMENTING RULES AND REGULATIONS

- SIGNED ON 17 JULY 2019 AT THE PHILIPPINE INTERNATIONAL CONVENTION CENTER
- PUBLISHED ON 20 JULY 2019 ON TWO NATIONAL CIRCULATION NEWSPAPERS
- UPLOADED ON 22 JULY 2019 ON OFFICIAL GAZETTE
SALIENT POINTS OF THE LAW

A) Coverage
B) Prescribed Processing Time
C) Automatic Approval
D) Multi-stage System
E) Reengineering
F) Citizen’s Charter
G) Zero-contact policy
H) Business One Stop Shop
I) Automation
RA11032 in a nutshell

Promoting Good Regulatory Practices

Setting standards on Prescribed Processing Time

Government Technology

Reengineering Government Systems and Procedures
<table>
<thead>
<tr>
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<th>RA 11032: IMPLEMENTING RULES &amp; REGULATIONS</th>
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<tbody>
<tr>
<td>I.</td>
<td>GENERAL PROVISIONS</td>
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<tr>
<td>II.</td>
<td>COVERAGE</td>
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<tr>
<td>III.</td>
<td>REENGINEERING OF SYSTEMS &amp; PROCEDURES</td>
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<td>IV.</td>
<td>CITIZEN’S CHARTER</td>
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<td>V.</td>
<td>ZERO-CONTACT POLICY</td>
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<tr>
<td>VI.</td>
<td>ACCOUNTABILITY OF HEADS OF OFFICES &amp; AGENCIES</td>
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<tr>
<td>VII.</td>
<td>ACCESSING GOVERNMENT SERVICES</td>
</tr>
<tr>
<td>VIII.</td>
<td>AUTOMATIC APPROVAL AND/OR AUTOMATIC EXTENSION OF LICENSE, PERMIT, CERTIFICATION AND AUTHORIZATION</td>
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</table>
RULE II. Coverage
The provisions of the Act and these Rules and Regulations shall apply to all government offices and agencies in the Executive Department including local government unit (LGUs), government-owned or -controlled corporations and other government instrumentalities, located in the Philippines or abroad, that provide services covering business-related and nonbusiness transactions as defined in these Rules.
The Act and these Rules and Regulations shall cover business-related and nonbusiness transactions referring to permitting, licensing, and the issuance of any privilege, right, reward, clearance, authorization, or concession, including frontline services enrolled in the existing Citizen’s Charter, whether or not related to business, corresponding backend/support services, and regulatory functions related to permitting, licensing, and the issuance of a privilege, right, reward, clearance, authorization or concession.
SECTION 1. COVERAGE

The initial list of all the permits, licenses, and issuances pertaining to any privilege, right, reward, clearance, authorization, or concession that shall be covered by the Act and these Rules shall be issued in accordance with Section 10 of the Act. The list may be reviewed and updated as may be necessary.
RULE III. Reengineering of Systems and Procedures
First, the law mandates government agencies to reengineer using a whole of government approach.

Second, under the law, agencies must review and repeal outdated, laws and regulations that create undue regulatory burden.

Third, government must undertake regulatory impact assessment (RIA) when introducing major regulations.
Pursuant to the Act, the Authority shall develop and establish a Regulatory Management System (RMS) to improve regulatory management towards the improvement of regulatory quality. The RMS shall be comprised of, but not limited to, a regulatory management framework, institutional arrangements, a regulatory policy cycle, and enforcement & compliance strategies.
The law made government transactions more efficient and citizen-friendly by doing the following:

- strengthened the Citizens Charter (Rule IV)
- introduced a Zero Contact Policy (Rule V)
- included an automatic approval provision (Rule VIII)
RULE VI. Accountability of Heads of Offices/Agencies
The head of the office or agency shall be primarily responsible for the implementation of the Act, including these and other Rules and Regulations, and shall be held accountable to the public in rendering fast, efficient, convenient, and reliable service. All transactions and processes are deemed to have been made with the permission or clearance from the highest authority having jurisdiction over the government office or agency concerned.
RULE VII.
Accessing Government Services
STANDARD PROCESSING TIME

3 Days for Simple transactions

7 Days for Complex transactions

20 Days for Highly Technical transactions
RULE VIII. Automatic Approval and/or Automatic Extension of License, Permit, Certification, and Authorization
Section 4. Issuance of Order for Automatic Approval, Extension, or Renewal of License, Clearance, Permit, Certification, or Authorization

Upon complaint together with the presentation of the acknowledgement receipt and/or the official receipt, upon due investigation and verification that the applicant has indeed fully submitted all necessary documents and paid all the required fees, the Authority shall issue a declaration of completeness and order the concerned office or agency to issue the approval, extension, and/or renewal of the license, clearance, permit, certification, or authorization which is deemed automatically approved as provided by Sec. 10 of the Act.
RULE IX.
Streamlined Procedures for the Issuance of Local Business Licenses, Clearances, Permits, Certifications or Authorizations.
Section 1-20. Within three (3) months from the effectivity of these Rules, the ARTA, together with the DILG, DICT and DTI shall issue a Joint Memorandum Circular to further implement Section 11 of this Act.

Guidelines on the following will be released:

- Single/unified business application form
- Establishment of Business One Stop Shop (BOSS)
- Business registration basic requirements
- Business permit validity and renewal options
- Issuance of barangay clearance
RULE XIII. Violations, Jurisdiction, Penalties, and Immunity
Section 2. First Offense

Administrative liability with six (6) months suspension: Provided, however, that in the case of fixing and/or collusion with fixers under Section 21 (h), the penalty and liability under Section 22 (b) of the Act shall apply.

Section 3. Second Offense

Administrative liability and criminal liability of dismissal from the service, perpetual disqualification from holding public office and forfeiture of retirement benefits and imprisonment of one (1) year to six (6) years with a fine of not less than Five Hundred Thousand Pesos (P500,000.00) but not more than Two Million Pesos (P2,000,000.00).
VIOLATIONS UNDER THE ACT

FIRST OFFENSE

a) Refusal to accept application or request with complete requirements being submitted by an applicant or requesting party without due cause;

b) Imposition of additional requirements other than those listed in the Citizen’s Charter;

c) Imposition of additional costs not reflected in the Citizen’s Charter;

d) Failure to give the applicant or requesting party a written notice on the disapproval of an application/request;

e) Failure to render government services within the prescribed processing time on any application or request without due cause;

f) Failure to attend to applicants or requesting parties who are within the premises of the office or agency concerned prior to the end of official working hours and during lunch break;

g) Failure or refusal to issue official receipts; and

h) Fixing and/or collusion with fixers in consideration of economic and/or other gain or advantage

SECOND OFFENSE

Second offense shall involve commission of the same violation punishable under Section 21 of the Act.
RULE XIV.
Commencement of Actions, Evaluation, and Investigation
1 - Distinguished Initial and Formal Complaint

2 - Clarification that Initial Complaints may be filed with the Authority in any form including but not limited to verbal, written, and electronic communication.
   - Initial Complaint – any form
   - Formal Complaint – subscribed and sworn

3 - The Authority shall entertain anonymous complaints, and if upon investigation there exists prima facie violation, may \textit{motu proprio} file the same to the Office of the President, Civil Service Commission, Office of the Ombudsman, or the appropriate court.
4 - The filing of the appropriate case(s) may be done by the Authority, *motu proprio*, or it may assist the complainant in doing so. The Authority may recommend the filing of a formal charge, and that, the person(s) complained of be placed under preventive suspension.

The appropriate disciplining authority may delegate to the Authority the conduct of preliminary investigation and/or formal investigation of a case and may recommend the imposition of the appropriate penalty and/or preventive suspension, if warranted.
Investigation process flow

INITIAL COMPLAINT

AGENCY

REFER

EVALUATION

N.T.E.

AGENCY

FORMAL COMPLAINT

INVESTIGATION

DISMISS

FINAL COMPLAINT

FILE (Moto propio)

ASSIST (if there is complainant)

OFFICE OF THE PRESIDENT

COURTS

OMBUDSMAN

CSC

OTHER ADMINISTRATIVE AGENCIES
Anti-Red Tape Authority
ARTA INITIATIVES AND ACCOMPLISHMENTS IN PROMOTING EASE OF DOING BUSINESS
The Department of Budget and Management approved ARTA's organizational structure and staffing pattern on March 29, 2019.

ARTA's current manpower:
1 Director General
1 Deputy Director General
1 Division Chief of DTI-CB
1 Supervising Chief of DTI-CB
45 Technical Staff under Contract of Service
2 Consultants
5 Non-technical staff under manpower agency
In 2018, DTI-CB as temporary secretariat of ARTA organized three (3) batches of **Regulatory Impact Assessment (RIA) trainings** with a total of 77 participants from different national and regional government offices.
Completed six (6) batches of User's Training on Basic Regulatory Impact Assessment within May – July, 2019 with the 35 priority National Government Agencies and Local Government Units with a total of 167 participants.
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<td>• DTI</td>
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<td>• NBI</td>
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<td>• DOE</td>
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<td>• HDMF</td>
<td>• DOH</td>
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<tr>
<td>• DOLE</td>
<td>• PHIC</td>
<td>• DFA</td>
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<td>• DICT</td>
<td>• BIR</td>
<td>• FDA</td>
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Launching of the Project Repeal Guidebook and alpha version of the Philippine Business Regulations Information System (December 2018)

Conduct of Roll-out of the Project Repeal Guidebook for selected NGAs (March 13-15, 2019)

Conduct of the Capacity-building Proper Registry of Rules and Regulations in partnership with ONAR (May 22-23, 2019)

Conduct of ARTA Private Sector Dialogue (May 24, 2019)
The PBRIS is a web-based platform providing accessible information on:

(1) the Philippine Regulatory Management System and;

(2) laws and regulations relevant to the public.

Currently the PBRIS hosts

632 Business-related & Business-affecting Regulations

Submitted by

35 National Government Agencies
935 National Government Agencies submitted their Citizen’s Charters

Completed **stocktaking** of Citizen’s Charters of 952 NGAs, GOCCs, SUCs, Water Districts, and LGUs
ARTA Initiatives
Coordination with the following agencies on resolving complaints cases:
• Presidential Complaints Center (PCC)
• Civil Service Commission (CSC)
• Presidential Anti-Corruption Commission (PACC)
• Office of the Ombudsman (OMB)
As of June 30, 2019, the ARTA Complaints Action Center had received 151 complaints for this year; 98 of which are red tape-related and 34 of which had already been confirmed and resolved. There is a 49 percent increase in complaints received by ARTA for the 2nd quarter compared to the 1st quarter of 2018.
ARTA Initiatives

ARTA Public Consultation
February 13, 2019 at PICC

Public Hearing for the IRR of RA 11032
April 15, 2019 at BOI
Media coverage mileage on R.A. 11032 through interviews of DDG Ernesto V. Perez with PTV-4, ANC, and PCOO
ARTA 365: Smarter Initiatives, Better Philippines
IRR Signing last July 17, 2019 at PICC
Through our shared efforts, we believe that we can hone better equipped and competitive public servants.
Thank you!