



NATIONAL  
COMPETITIVENESS  
COUNCIL | PHILIPPINES

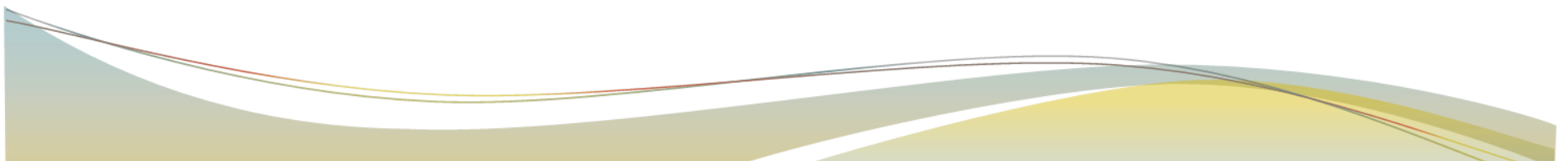
Asia Society Transparency 2.0

# Leveling the Playing Field

**GUILLERMO M. LUZ**

Private Sector Co-Chairman

September 17, 2013





## I. Simplification and Streamlining of Procedures

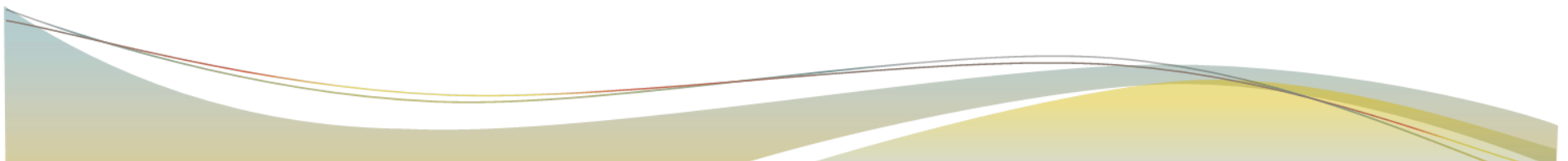
- **Ease of Doing Business**

- Measured by the International Finance Corporation in its Ease of Doing Business Report

2013 Rank	2012 Rank	Change	ASEAN	Next Report
138/185	136/183	NONE	8 of 9	Oct-13



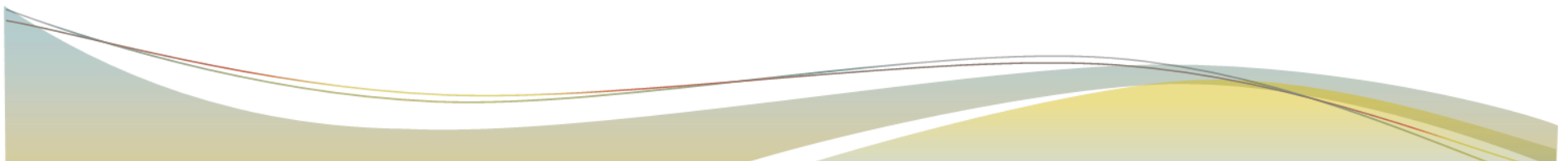
**Goal: Move the country to the TOP THIRD of the world ranking by 2016**





# World Rankings of ASEAN Countries

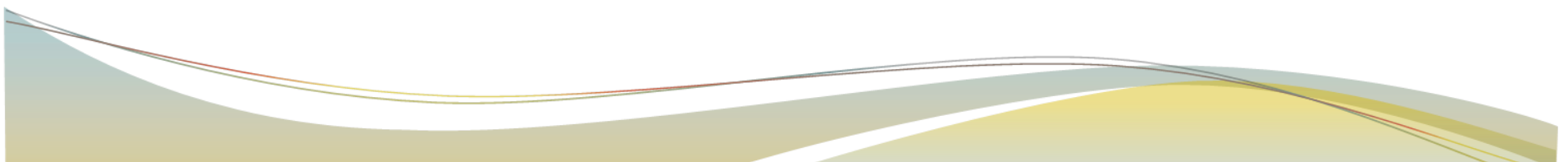
<b>COUNTRIES</b>	<b>2013 (185 economies)</b>	<b>2012 (183 economies)</b>	<b>2011 (183 economies)</b>	<b>2010 (183 economies)</b>	<b>2009 (181 economies)</b>
SINGAPORE	1	1	1	1	1
MALAYSIA	12	14	23	23	20
THAILAND	18	17	16	12	13
BRUNEI DARUSSALAM	79	83	86	96	88
VIETNAM	99	99	90	93	92
INDONESIA	128	130	126	122	129
CAMBODIA	133	141	138	145	135
<b>PHILIPPINES</b>	<b>138</b>	<b>136</b>	<b>134</b>	<b>144</b>	<b>140</b>
LAOS	163	166	163	167	-----





# 2013 World Rankings of ASEAN Countries by Indicator

Country	Starting a Business	Dealing w/ Construction Permits	Getting Electricity	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Resolving Insolvency	
Singapore	1	4	2	5	36	12	2	5	1	12	2
Malaysia	12	54	96	28	33	1	4	15	11	33	49
Thailand	18	85	16	10	26	70	13	96	20	23	58
Brunei	79	135	43	29	115	129	117	22	40	158	46
Vietnam	99	108	28	155	48	40	169	138	74	44	149
Indonesia	128	166	75	147	98	129	49	131	37	144	148
Cambodia	133	175	149	132	115	53	82	66	118	142	152
<b>Philippines</b>	<b>138</b>	<b>161</b>	<b>100</b>	<b>57</b>	<b>122</b>	<b>129</b>	<b>128</b>	<b>143</b>	<b>53</b>	<b>111</b>	<b>165</b>
Laos	163	81	87	138	74	167	184	126	160	114	185





# Gameplan for Competitiveness

- Created Ease of Doing Business Task Force by virtue of Administrative Order No. 38
  - With work teams based on the 10 indicators
  - Composed of government agencies and private sector partners
- Designed and implemented reform targets by benchmarking against ASEAN countries





# Starting a Business

Number of Steps, 2012-13

Number of Days, 2012-13

**16**

**36**



# Starting a Business

Number of Steps, 2013-14

Number of Days, 2013-14

**11**

**11**



# Indicator: Starting a Business

**STAR  
T**

Verify and reserve company name with SEC.

Deposit paid-up capital and obtain bank certificate.

Notarize articles of incorporation and treasurer's affidavit.

Register the company with SEC and receive pre-registered TIN.

Buy special books of account at bookstore.

Obtain business permit from BPLO.

Pay annual community tax and obtain community tax certificate.

Obtain barangay clearance.

Apply and pay for Certificate of Registration and obtain TIN at BIR.

Pay registration fee and documentary stamp taxes

Obtain authority to print receipts and invoices from BIR.

Print receipts and invoices.

**END**

Register with Pag-IBIG.

Register with PhilHealth.

Register with SSS.

Have books of accounts and Printer's Certificate of Delivery stamped by BIR.





# Indicator: Starting a Business





# Indicator: Starting a Business

**STAR  
T**

Verify and reserve company name with SEC.

Notarize articles of incorporation and treasurer's affidavit.

Register the company with SEC and receive pre-registered TIN.

Pay annual tax and obtain community tax certificate and business permit.

Obtain barangay clearance.

Register with SSS, PhilHealth, and Pag-IBIG.

Apply and pay for Certificate of Registration and obtain TIN at BIR.

Pay registration fee and documentary stamp taxes

Obtain authority to print receipts and invoices from BIR.

Print receipts and invoices.

**END**

Buy special books of account and have books of accounts and Printer's Certificate of Delivery stamped by BIR.



# Dealing with Construction Permits

Number of Steps, 2012-13

Number of Days, 2012-13

**29**

**84**



# Dealing with Construction Permits

Number of Steps, 2013-14

Number of Days, 2013-14

**17**

**61**



# Indicator: Dealing with Construction

## Permits

**STAR  
T**

Obtain certified true copy of the land title .

Obtain lot plan with site map from the geodetic engineer.

Obtain barangay clearance.

Apply for locational clearance at the CPDO.

Receive inspection for the locational clearance from CPDO.

Obtain locational clearance from CPDO.

Receive final inspection for the FSIC from the BFP.

Apply for the Fire Safety Inspection Certificate .

Receive inspection from DBO during construction.

Receive inspection from BFP during construction.

Apply, pay and obtain building permit and ancillary permits .

Apply and obtain Fire Safety Evaluation Clearance .

Obtain the FSIC from the BFP.

Apply for health certificate at the City Health Office.

Receive inspection for the health certificate.

Obtain the health certificate from the CHO.

Apply for the Certificate of Final Electrical Inspection .

Receive final inspection for the CFEI from the DBO.

Receive inspection for water and sewage connection.

Apply for water and sewage connection.

Obtain the Certificate of Occupancy from the DBO.

Pay Certificate of Occupancy Fees at City Treasurer's Office.

Apply for the Certificate of Occupancy at the DBO.

Obtain the CFEI from the DBO.

Obtain water and sewage connection.

Obtain telephone connection.

Apply for tax declaration of improvement at CAO..

Receive inspection from the Appraiser of CAO.

Apply & obtain tax declaration of improvement from CAO.

**END**



# Indicator: Dealing with Construction Permits

START



END



# Indicator: Dealing with Construction

## Permits

**STAR  
T**

Obtain certified true copy of the land title and lot plan with site map .

Obtain barangay clearance.

Apply for, receive inspection, and obtain locational clearance from the CPDO.

Apply and obtain Fire Safety Evaluation Clearance and receive inspection from BFP

Apply for the Certificate of Final Electrical Inspection.

Apply for, receive inspection, and obtain Fire Safety Inspection Certificate from BFP.

Apply, pay and obtain building permit and ancillary permits and receive inspection from DBO.

Receive final inspection for the CFEI from the DBO.

Obtain the CFEI from the DBO.

Apply for the Certificate of Occupancy at the DBO.

Pay Certificate of Occupancy Fees at City Treasurer's Office.

Obtain telephone connection.

Obtain water and sewage connection.

Receive inspection for water and sewage connection.

Apply for water and sewage connection.

Obtain the Certificate of Occupancy from the DBO.

Apply for, receive inspection, and obtain tax declaration of improvement at CAO.

**END**



# Getting Electricity

Number of Steps, 2012-13

**5**

Number of Days, 2012-13

**50**





# Getting Electricity

Number of Steps, 2013-14

Number of Days, 2013-14

**4**

**36**



# Registering Property

Number of Days, 2012-13

**39**



# Registering Property

Number of Days, 2013-14

**23**



# Indicator: Paying Taxes

---

Number of Payments,  
2012-13

**47**

Number of Hours,  
2012-13

**193**



# Indicator: Paying Taxes

---

Number of Payments,  
2013-14

**14**

Number of Hours,  
2013-14

**<193**



# Indicator: Paying Taxes

Corporate Income Tax	Local Business Tax	SSS	SSS	SSS	SSS	SSS	SSS
SSS	SSS	SSS	SSS	SSS	SSS	Real Property Tax	Health Insurance
Health Insurance	Health Insurance	Health Insurance	Health Insurance	Health Insurance	Health Insurance	Health Insurance	Health Insurance
Health Insurance	Health Insurance	Health Insurance	Housing Development Fund	Housing Development Fund	Housing Development Fund	Housing Development Fund	Housing Development Fund
Housing Development Fund	Housing Development Fund	Housing Development Fund	Housing Development Fund	Housing Development Fund	Housing Development Fund	Housing Development Fund	Tax on Interest
Community Tax Certificate	Environmental Tax	Employer Compensation	Value Added Tax	Tax on Check Transactions	Tax on Insurance Contracts	Stamp Duty	



# Indicator: Paying Taxes

Corporate Income Tax	Local Business Tax	SSS	SSS	SSS	SSS	SSS	SSS
SSS	SSS	SSS	SSS	SSS	SSS	Real Property Tax	Health Insurance
Health Insurance	Health Insurance	Health Insurance	Health Insurance	Health Insurance	Health Insurance	Health Insurance	Health Insurance
Health Insurance	Health Insurance	Health Insurance	Housing Development Fund	Housing Development Fund	Housing Development Fund	Housing Development Fund	Housing Development Fund
Housing Development Fund	Housing Development Fund	Housing Development Fund	Housing Development Fund	Housing Development Fund	Housing Development Fund	Housing Development Fund	Tax on Interest
Community Tax Certificate	Environmental Tax	Employer Compensation	Value Added Tax	Tax on Check Transactions	Tax on Insurance Contracts	Stamp Duty	



# Indicator: Paying Taxes

---

Corporate Income Tax	Local Business Tax	SSS	Real Property Tax	Health Insurance	Housing Development Fund	Tax on Interest
Community Tax Certificate	Environmental Tax	Employer Compensation	Value Added Tax	Tax on Check Transactions	Tax on Insurance Contracts	Stamp Duty





## I. Simplification and Streamlining of Procedures

- **Business Permits and Licensing System**

### **BPLS Streamlining Project**

- Simplify issuance of Mayor's permits
  - < 5 steps
  - < 5 days
  - 1 form
  - 2 signatures
- As of March 2013, **926** LGUs have streamlined their BPLS.
- All **1,634** LGUs nationwide are targeted to be streamlined by 2016.



# Impact of Streamlining



## Lapu-Lapu City, Cebu

STEPS

**6**

TIME in DAYS  
(new)

**10**

TIME in DAYS  
(renewal)

**5**

SIGNATORIES

**4**

FORM: Unified



# Impact of Streamlining

---



## Lapu-Lapu City, Cebu

STEPS

**4**

TIME in DAYS  
(new)

**5**

TIME in DAYS  
(renewal)

**2-3**

SIGNATORIES

**2**

FORM: Unified



# Impact of Streamlining

---



Lapu-Lapu City, Cebu

REVENUE GENERATED, 2009

**PHP 843.4 M**



# Impact of Streamlining

---



Lapu-Lapu City, Cebu

REVENUE GENERATED, 2010

**PHP 902.6 M**

**↑ 7%**



# Impact of Streamlining

---



## San Fernando City, Pampanga

STEPS

**2**

TIME

**25**

SIGNATORIES

**1**

**minutes**

FORM: Unified



# Impact of Streamlining

---



**San Fernando City, Pampanga**

REVENUE GENERATED, Q1 2010

**PHP 113.3 M**



# Impact of Streamlining

---



**San Fernando City, Pampanga**

REVENUE GENERATED, Q2 2011

**PHP 127.6 M**

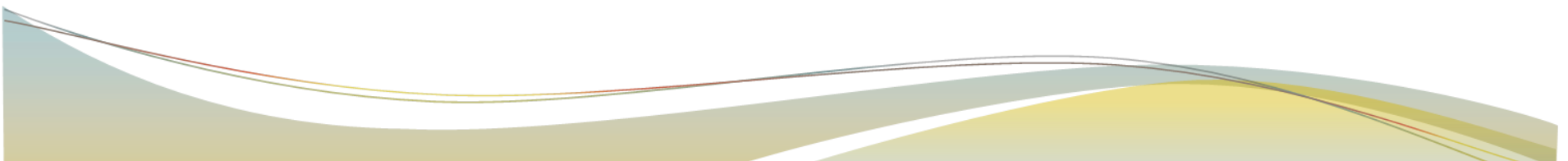
**↑ 12.6%**





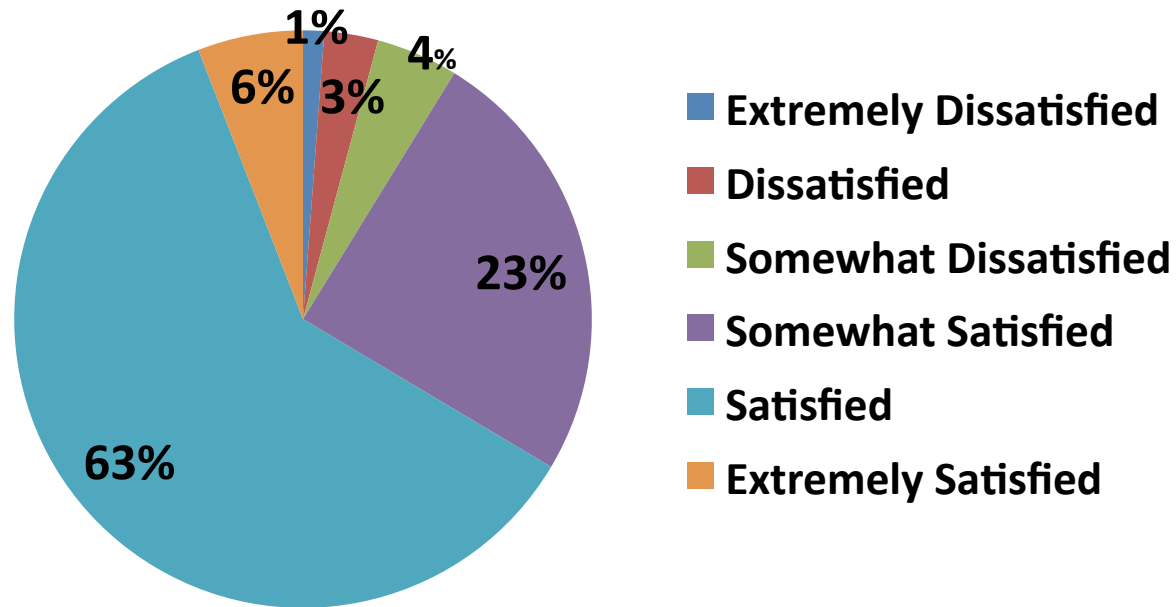
## **II. Monitoring and Evaluation**

- **BPLS Customer Satisfaction Surveys**
  - Conducted every January-February to validate the reforms reported by the LGUs
  - Assess the experience of businessmen in applying for permits in cities and municipalities

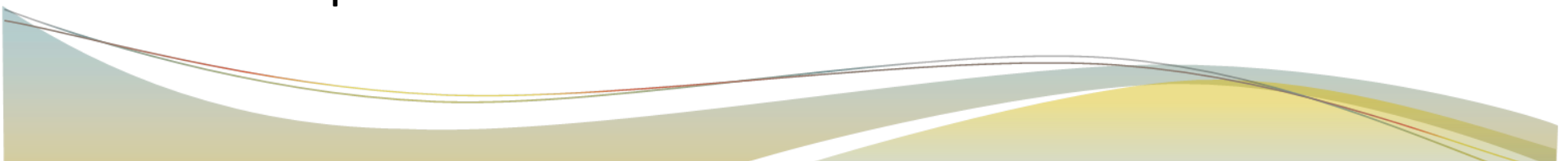




## II. Monitoring and Evaluation



- **2012 BPLS Customer Satisfaction Survey**
  - Out of more than 800 respondents, 63% reported that they were satisfied with the BPLS in their respective LGUs.





## II. Monitoring and Evaluation

- **2012 Annual Enterprise Survey on Corruption**
  - Conducted July-October 2012
  - 10<sup>th</sup> run since 2000
  - Largest sample and area coverage so far with 972 businessmen from NCR, Metro Angeles, Calamba/Laguna/Batangas, Metro Iloilo, Metro Cebu, Metro Davao, and CDO-Iligan



**INTEGRITY  
INITIATIVE**



NATIONAL  
COMPETITIVENESS  
COUNCIL | PHILIPPINES





## II. Monitoring and Evaluation

- **2012 Annual Enterprise Survey on Corruption**
  - 20 government agencies covered

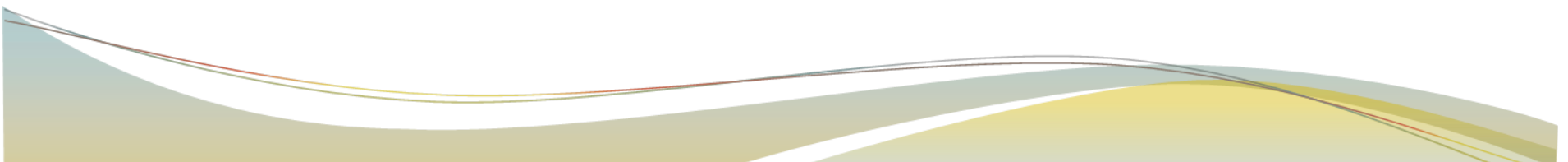


City/Municipal  
Government



## II. Monitoring and Evaluation

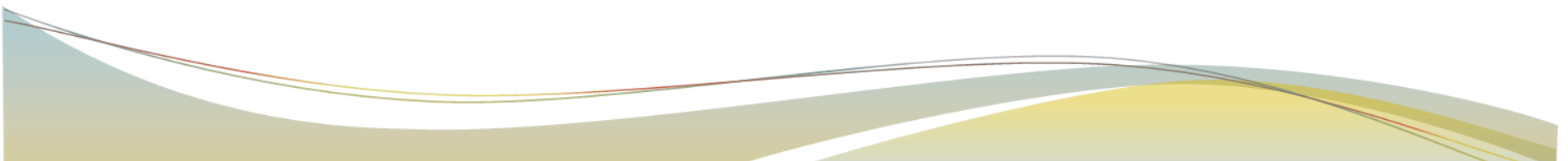
- **2012 Annual Enterprise Survey on Corruption**
  - 43% see “a lot” of corruption in the public sector – lowest since 2000.
  - 41% say “most/almost all” in their sector give bribes to win public sector contracts – lowest since 2000.
  - 33% know of corruption in their sector in the last 3 months – lowest since 2006.
  - 73% see less corruption now; only 3% see more corruption now, compared to the previous administration.





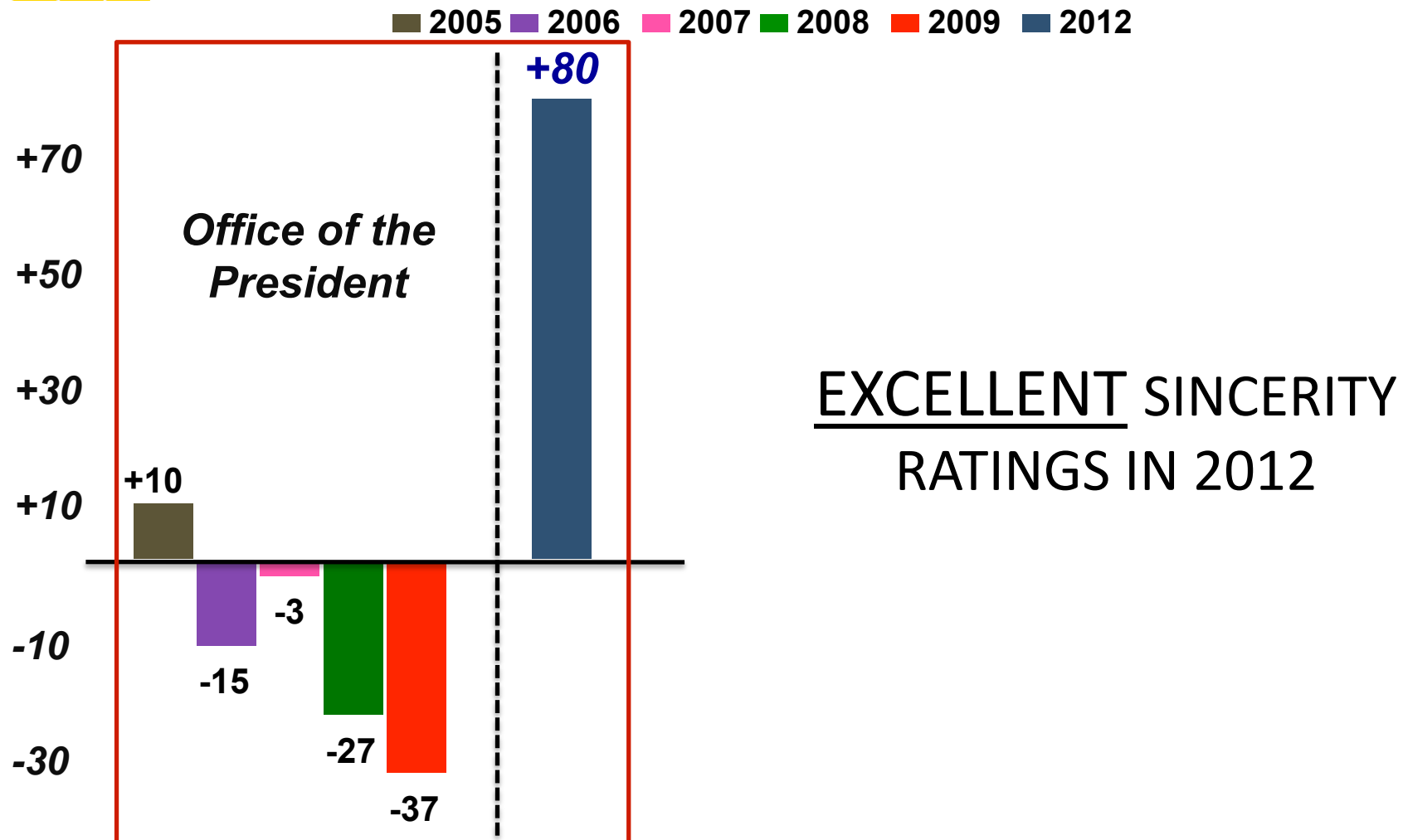
## II. Monitoring and Evaluation

- **2012 Annual Enterprise Survey on Corruption**
  - Ratings of sincerity in fighting corruption have improved for 17 of 20 institutions.
  - Those that did not were City Government, Supreme Court, and COMELEC.
  - Top 4 agencies
    - Office of the President (Excellent)
    - DOH, DTI, and DepEd (Very Good)





## II. Monitoring and Evaluation



\* % **VERY/SOMEWHAT Sincere** MINUS % **SOMEWHAT/VERY INSINCERE**, correctly rounded.

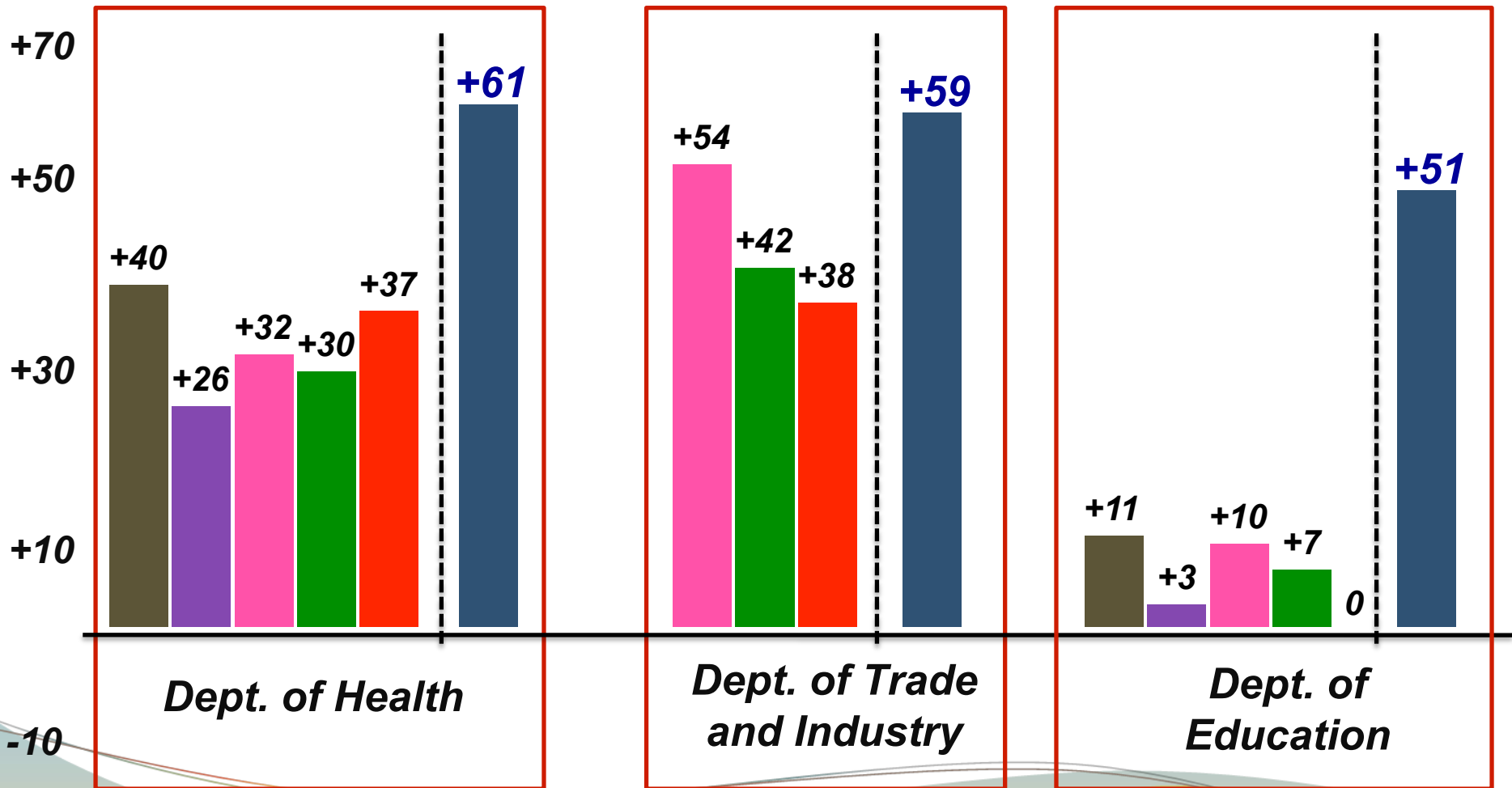
Qs 9-28. PLEASE EVALUATE THE FOLLOWING INSTITUTIONS IN TERMS OF SINCERITY IN FIGHTING OR PREVENTING PUBLIC SECTOR CORRUPTION IN THE PHILIPPINES. [Very sincere; Somewhat sincere; Undecided if sincere or not; Somewhat insincere; Very insincere]



## II. Monitoring and Evaluation

### VERY GOOD SINCERITY RATINGS IN 2012

■ 2005 ■ 2006 ■ 2007 ■ 2008 ■ 2009 ■ 2012



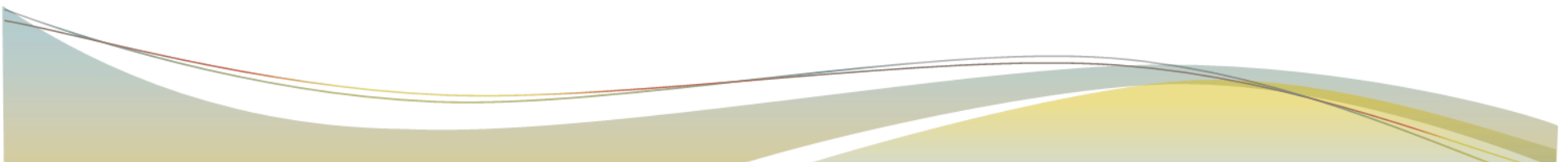
Qs 9-28. PLEASE EVALUATE THE FOLLOWING INSTITUTIONS IN TERMS OF SINCERITY IN FIGHTING OR PREVENTING PUBLIC SECTOR CORRUPTION IN THE PHILIPPINES. [Very sincere; Somewhat sincere; Undecided if sincere or not; Somewhat insincere; Very insincere]





## II. Monitoring and Evaluation

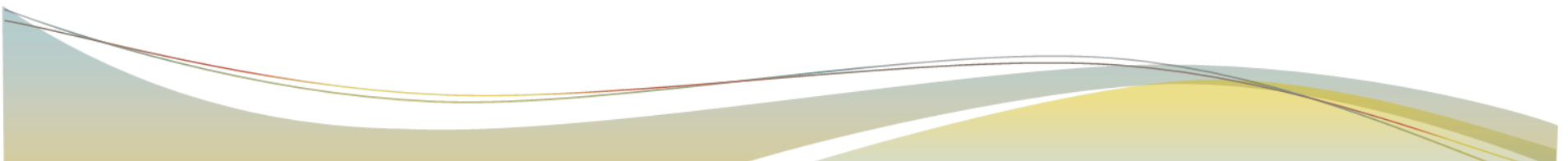
- **2012 Annual Enterprise Survey on Corruption**
  - Majorities see corruption cases in court going fairly, but too slowly.
  - 50% were solicited for a bribe, versus 60% in the 2009 survey; but reporting of solicitation to authorities remains very low.





## II. Monitoring and Evaluation

- **2012 Annual Enterprise Survey on Corruption**
  - Corruption is less in the private sector than in the public sector, but is also serious, and has not improved.
  - Although companies say success in fighting corruption will make them more profitable, they are not helping much to pay the bill.
  - The extent of honest business practices is unsatisfactory and not improving.
  - Business prospects have never been better; executives give much credit to the National Government for this.





## III. Budget Transparency

<http://www.dbm.gov.ph/>

**Electronic Transparency  
Accountability  
Initiatives for Lump  
Sum Appropriations  
System (e-TAILS)**

PAGGUGOL NA MATUWID: DIRETSO SA TAO



### e-Fund Releases

Learn more about funds that have been released by DBM - from lump sum funds to allotments, obligations and balances of Fiscal Years.



### DBM Publications

Download digital copies of annual publications prepared by the Department.



### Budget ng Bayan

Want to learn more about our budget and how it's prepared? Click the link and find out where the national budget goes, know the phases of the budget cycle, and actively post feedback on agencies' use of their budgets.



### Attached Agencies and Gov't Directory

Visit the sites of our partners in building a transparent, efficient and competent public procurement system.



"Ang mandato ninyo sa amin ay pagbabago - isang malinaw na utos para ayusin ang gobyerno at lipunan, mula sa pamahalaang iilan lamang ang nakikinabang, tungo sa isang pamahalaang kabutihan ng mamamayan ang pinangalagaan". - Pres. Benigno S. Aquino III



# III. Budget Transparency

<http://pdaf.dbm.gov.ph/>

Home > PDAF > Summary > Listing Per Legislator

## PDAF Releases by Legislator for Fiscal Year 2013

LEGISLATOR NAME	Legislator Type	Continuing	New Appropriation	Total
DRILON, FRANKLIN M.	Senator	44,500,000	0	44,500,000
Duavit, Joel Roy R.	District Representative	0	20,000,000	20,000,000
Durano, Ramon VI H.	District Representative	0	35,000,000	35,000,000
Dy, Napoleon S.	District Representative	0	35,000,000	35,000,000
Ebdane, Jun Omar C.	District Representative	495,000	35,000,000	35,495,000
Ecleo, Ruben Jr. B.	District Representative	2,625,000	35,000,000	37,625,000
Ejercito, Joseph Victor G.	District Representative	0	32,000,000	32,000,000
EJERCITO-ESTRADA, JINGGOY P.	Senator	0	95,500,000	95,500,000
Emano, Yevgeny Vicente B.	District Representative	0	31,600,000	31,600,000
Enerio-Cerilles, Aurora E.	District Representative	0	35,000,000	35,000,000
<b>ENRILE, JUAN PONCE F.</b>	<b>Senator</b>	<b>5,000,000</b>	<b>75,000,000</b>	<b>80,000,000</b>
Enverga, Wilfrido Mark M.	District Representative	0	29,000,000	29,000,000
Eriguel, Eufanio C.	District Representative	0	35,000,000	35,000,000
ESCUDERO, FRANCIS G.	Senator	3,800,000	99,000,000	102,800,000
Escudero, Salvador III H.	District Representative	0	20,000,000	20,000,000
Espina, Rogelio J.	District Representative	0	35,000,000	35,000,000
Estrella, Robert Raymund M.	PartyList Representative	0	35,000,000	35,000,000
Evardone, Ben P.	District Representative	20,850,000	34,875,000	55,725,000
Fabian, Erico Basilio A.	District Representative	0	35,000,000	35,000,000



# III. Budget Transparency

<http://pdaf.dbm.gov.ph/>

Home > PDAF > Summary > Upper House > Breakdown

## Legislator PDAF Releases Breakdown for Fiscal Year 2013

Legislator: ENRILE, JUAN PONCE F.

District: Nationwide

Region	Region IV-A					
Province	Laguna					
Project		Recipient	Municipality/City	Implementing Unit	Release Date	Total
Public Infrastructure - Concreting of barangay road at Brgy. Dingin, Pagsanjan, Laguna				Province of Laguna	2013-07-16	5,000,000

Region Region VIII

Province

Project

Financial assistance to the Municipality of Bato, Leyte for the conduct of medical mission with provision of medicines, such as general medical treatment, dental screening, tooth extraction, eye care and minor surgery in the municipality.

Recipient

Bato

Municipality/City

Bato

Implementing Unit

Bato

Release Date

2013-06-17

Total

10,000,000



# III. Budget Transparency

<http://budgetngbayan.com/>

**MyBudget 2012**

**Total: 325,837B**  
**Debt Burden - 19.6% share**

Category	Amount (B)	Percentage
MOOE* Recurring	19.4 B	1.1%
MOOE* Program Operations	249.7 B	13.7%
GOCCSubsidy	19.7B	1.1%
Allotment to LGUs	218.6 B	12.9%
Tax Expenditure Fund	33.0 B	10.1%
Economic Services	438.9B	24.2%
General Public Service	P338.1B	18.6%
Capital Outlays	-	17.9%
Infrastructure and Other CO's	252.4 B	13.9%
GOCCEquity	2.1 B	0.1%
Capital Transfers to LGU's	71.3 B	3.9%
Social Services	567.9 B	31.3%
Debt Burden	356.1 B	19.6%
Defense	114.4B	6.3%

**Navigation Menu:** HOME | BUDGET 101 » | MY BUDGET » | REFORMS » | CITIZEN'S PORTAL | MULTIMEDIA » | DOWNLOADS »

**Search:** Search this site..

**Dropdown Menu:** BUDGET DOCUMENTS, PUBLICATIONS, PRESENTATIONS

**Logos:** Department of Budget and Management (DBM) and the Philippine Coat of Arms.

**Copyright:** © 2012 Budget ng Bayan, a project of the Department of Budget and Management.



# NATIONAL COMPETITIVENESS COUNCIL | PHILIPPINES

[www.competitive.org.ph](http://www.competitive.org.ph)



[admin@competitive.org.ph](mailto:admin@competitive.org.ph)



[/Compete.Philippines](https://www.facebook.com/Compete.Philippines)



[@ncc\\_PH](https://twitter.com/ncc_PH)

