



OS Law Client Alert: Ease of Doing Business and Efficient Government Service Delivery Act of 2018



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Republic Act (R.A.) No. 11032 or the “Ease of Doing Business and Efficient Government Service Delivery Act of 2018”

Are bureaucratic woes and red-tape soon a thing of the past? The Philippines vows to fight red-tape, ease the conduct business transactions, and ensure efficient processes with an overhauled anti-red tape law.

Easy. Efficient. These words were rarely associated with doing business in the Philippines.

The Philippines is about to turn this situation around and boost its competitiveness in the world stage. On 28 May 2018, Republic Act (R.A.) No. 11032 or the “Ease of Doing Business and Efficient Government Service Delivery Act of 2018” (“**EDB Law**”) was signed into law.

The EDB Law is not the Philippines’ first attempt at curbing excessive red-tape and delay-ridden bureaucratic processes. This law amends the Anti-Red Tape Act, RA No. 9485 passed in 2007. This new legislation showcases updated systems and imposes shorter transaction periods and heavier penalties for violators.

The EDB Law introduces the Zero-Contact Policy. This policy limits the contact between any government officer or employee and the applicant/requestor to only the preliminary assessment of the application or request, and only for purposes of evaluating the sufficiency and completeness of submitted requirements.

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Once an application is received and preliminarily assessed for completeness, the EDB Law requires the concerned office to:

- Act upon the application or request within the prescribed processing time as stated in the relevant Citizen's Charter;
- Extend the maximum periods described above only once for the same number of days, which shall be indicated in the Citizen's Charter. The concerned office shall notify the applicant in writing of such extension and final date of release of the government service requested;
- Formally notify in writing the applicant or requestor of the reason for the disapproval or denial of the application or request. Such notification must be done within the prescribed processing periods;
- Limit the number of signatories to a maximum of three. Any official trip or absence of the signatories shall not be an excuse for inaction or delayed action on the application or request as the EDB Law requires either (i) the designation of an alternate signatory, or (ii) the use of electronic signatures or even pre-signed licenses, clearances, permits, or certifications.

The EDB Law likewise provides for the automatic approval of any application for a license, permit, certification, or authorization -- as well as automatic renewals thereof -- in instances where there is inaction by the concerned office within the prescribed period.

The systems overhaul for local business permitting requires the establishment of a business one-stop shop (BOSS). The BOSS includes the use of a single or unified business application form which shall be available in the concerned offices as printed copies as well as online, using technology-neutral platforms.

Government officials and employees who violate the provisions of the EDB Law are subject to heavier administrative and criminal sanctions.

The full automation of local government business permitting and licensing systems are seen to take full effect within three years following the roll-out of the software by the Department of Information and Communications Technology (DICT). The DICT is likewise tasked to establish and maintain a Central Business Portal (for receiving and processing transactions) and a Philippine Business Databank (containing all information on the validity, existence and other relevant information on registered businesses). It shall also develop interconnectivity infrastructure.



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