REVENUE MEMORANDUM CIRCULAR NO. 56-2018 issued on June 26, 2018 circularizes the full text of Republic Act No. 11032, otherwise known as the “Ease of Doing Business and Efficient Government Service Delivery Act of 2018”.

The Act shall apply to all government offices and agencies including Local Government Units (LGUs), Government-Owned or -Controlled Corporations (GOCCs) and other government instrumentalities, whether located in the Philippines or abroad, that provide services covering business and non-business related transactions as defined in the Act. The salient provisions of the said Act are provided hereunder.

- **Reengineering of Systems and Procedures.** - All offices and agencies which provide government services are mandated to regularly undertake cost compliance analysis, time and motion studies, undergo evaluation and improvement of their transaction systems and procedures and reengineer the same, if deemed necessary, to reduce bureaucratic red tape and processing time.

- **Citizen’s Charter.** - All government agencies, including departments, bureaus, offices, instrumentalities, or GOCCs, or LGUs shall set up their respective most current and updated service standards to be known as the Citizen’s Charter in the form of information billboards which shall be posted at the main entrance of offices or at the most conspicuous place, in their respective websites and in the form of published materials.

- **Zero-Contact Policy.** - Except during the preliminary assessment of the request and evaluation of sufficiency of submitted requirements, no government officer or employee shall have any contact, in any manner, unless strictly necessary with any applicant or requesting party concerning an application or request. Once the Department of Information and Communications Technology (DICT) has completed a web-based software enabled business registration system that is acceptable to the public as mandated under Section 26 of the Act, all transactions shall be coursed through such system. All government agencies, including LGUs, shall adopt a zero-contact policy.

- **Accountability of Heads of Offices and Agencies.** - The head of the office or agency shall be primarily responsible for the implementation of the Act 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.

- **Accessing Government Service.** - All applications or requests submitted shall be acted upon by the assigned officer or employee within the prescribed processing time stated in the Citizen’s Charter, which shall not be longer than three (3) working days, in the case of simple transactions and seven (7) working days, in the case of complex transactions, from the date the request and/or complete application or request was received.

  No application or request shall be returned to the applicant or requesting party without appropriate action. In case an application or request is disapproved, the officer or employee who rendered the decision shall send a formal notice to the applicant or requesting party within the prescribed processing time, stating therein the reason for the disapproval. A finding by a competent authority of a violation of any or other laws by the applicant or requesting party shall constitute a valid ground for the disapproval of the application or request, without prejudice to other grounds provided in the Act or other pertinent laws.

  Any denial of application or request for access to government service shall be fully explained in writing, stating the name of the person making the denial and the grounds upon which such denial is based. Any denial of application or request is deemed to have been made with the permission or clearance from the highest authority having jurisdiction over the government office or agency concerned.
Each office or agency shall establish a public assistance/complaints desk in all their offices. Heads of offices and agencies which render government services, shall adopt appropriate working schedules to ensure that all applicants or requesting parties who are within their premises prior to the end of official working hours are attended to and served even during lunch break and after regular working hours.

- **Automatic Approval or Automatic Extension of License, Clearance, Permit, Certification or Authorization.** - If a government office or agency fails to approve or disapprove an original application or request for issuance of license, clearance, permit, certification or authorization within the prescribed processing time, said application or request shall be deemed approved: Provided, that all required documents have been submitted and all required fees and charges have been paid. The acknowledgement receipt, together with the official receipt for payment of all required fees issued to the applicant or requesting party, shall be enough proof or has the same force and effect of a license, clearance, permit, certification or authorization under this automatic approval mechanism.

If a government office or agency fails to act on an application or request for renewal of a license, clearance, permit, certification or authorization subject for renewal within the prescribed processing time, said license, clearance, permit, certification or authorization shall automatically be extended: Provided, that the Authority, in coordination with the Civil Service Commission (CSC), Department of Trade and Industry (DTI), Securities and Exchange Commission (SEC), Department of Interior and Local Government (DILG) and other agencies which shall formulate the Implementing Rules and Regulations of the Act, shall provide a listing of simple, complex, highly technical applications, and activities which pose danger to public health, public safety, public morals or to public policy.

- **Streamlined Procedures for the Issuance of Local Business Licenses, Clearances, Permits, Certification or Authorizations.** - A single or unified business application form shall be used in processing new applications for business permits and business renewals. A one-stop business facilitation service, hereinafter referred to as the Business One Stop-Shop (BOSS), for the city/municipality’s business permitting and licensing system shall be established within the cities/municipalities’ Negosyo Center to receive and process manual and/or electronic submission of application for license, clearance, permit, certification or authorization. An electronic BOSS shall be set up in cities/municipalities within a period of three (3) years upon effectivity of the Act for a more efficient business registration process.

- **Central Business Portal (CBP).** – To eliminate bureaucratic red tape, avert graft and corrupt practices and to promote transparency and sustain ease of doing business, the DICT shall be primarily responsible in establishing, operating and maintaining a CBP or other similar technology, as the DICT may prescribe. The CBP shall serve as a central system to receive applications and capture applications data involving business-related transactions, including primary and secondary licenses, and business clearances, permits, certifications or authorizations issued by the LGUs: Provided, that the CBP may also provide links to the online registration or application systems established by the National Government Agencies (NGAs).

- **Philippine Business Databank (PBD).** - Within a period of one (1) year from the effectivity of the Act, the DICT, in coordination with the concerned agencies, shall establish, manage and maintain a PBD which shall provide the concerned NGAs and LGUs access to data and information of registered business entities, for purposes of verifying the validity, existence of and other relevant information pertaining to business entities.

Documents already submitted by an applicant or requesting party to an agency which has access to the PBD shall no longer be required by other NGAs and LGUs having the same access. Documents or information shall be cross checked and retrieved in the PBD.
• **Report Card Survey.** - All offices and agencies providing government services shall be subjected to a Report Card Survey to be initiated by the Anti-Red Tape Authority, in coordination with the CSC, and the Philippine Statistics Authority, which shall be used to obtain feedback on how provisions of the Citizen’s Charter and the provisions of the Act are being followed and how the agency is performing.

The Report Card Survey shall also be used to obtain information and/or estimates of hidden costs incurred by applicants or requesting parties to access government services which may include, but is not limited to, bribes and payment to fixers. The result of the survey shall also become basis for the grant of awards, recognition and/or incentives for excellent delivery of services in all government agencies.

A feedback mechanism shall be established in all agencies covered by the Act and the results thereof shall be incorporated in their annual report.

• **Violations and Persons Liable.** - Any person who performs or cause the performance of the following acts shall be liable:
  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 or 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.

• **Penalties and Liabilities.** - Any violations of the preceding actions will warrant the following penalties and liabilities:
  a. 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.
  b. 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 (₱ 500,000.00), but not more than Two Million Pesos (₱ 2,000,000.00).

Criminal liability shall also be incurred through the commission of bribery, extortion, or when the violation was done deliberately and maliciously to solicit favor in cash or in kind. In such cases, the pertinent provisions of the Revised Penal Code and other special laws shall apply.