

Republic of the Philippines
Province of Cebu
CITY OF NAGA



Excerpt from the minutes of the Regular Session of the Sangguniang Panlungsod (SP) of the City of Naga, Cebu held on May 16, 2018 at the SP Session Hall, Legislative Building, City of Naga, Cebu.

Present:

HON. OHELLO M. CHIONG
HON. ALEXANDER R. LARA
HON. VIRGILIO M. CHIONG
HON. AURELIO B. ALINSONORIN
HON. AFSHIN MARK K. SEÑOR
HON. CARMELINO N. CRUZ, JR.
HON. PABLO A. ABANGAN
HON. LUZMINDA R. LAPITAN
HON. PORFERIO V. RESABA, JR.
HON. JUSTINO L. DAKAY

- Vice Mayor/Presiding Officer
- Sangguniang Panlungsod Member
- Sangguniang Panlungsod Member
- Sangguniang Panlungsod Member
- Sangguniang Panlungsod Member
- Sangguniang Panlungsod Member
- Sangguniang Panlungsod Member
- Sangguniang Panlungsod Member
- Sangguniang Panlungsod Member
- Sangguniang Panlungsod Member
- ABC President

On Leave:

HON. DELFIN R. SEÑOR
HON. RODRIGO A. NAVARRO

- Sangguniang Panlungsod Member
- Sangguniang Panlungsod Member



ORDINANCE NO. 2018-002

Hon. Porferio V. Resaba, Jr. - Sponsor

SP Committee Chairman on Committee on: Social Services, Trade and Industry

“AN ORDINANCE AMENDING CERTAIN PROVISIONS OF ORDINANCE NO. 2015-005,” OTHERWISE KNOWN AS THE ORDINANCE INSTITUTIONALIZING THE BUSINESS PERMIT AND LICENSING SYSTEM (BPLS) IN THE CITY OF NAGA, CEBU

EXPLANATORY NOTE

The 1987 Philippine Constitution mandates that the government shall promote the quality of life of the people. Towards this end, Section 16 of Republic Act (R.A.) 7160 otherwise known as the Local Government Code of 1991 provides that the local government units shall pursue undertakings to enhance economic prosperity, among other concerns;

R.A. No. 9485 also known as the Anti-Red Tape Act of 2007 (ARTA) provides that all government instrumentalities and local government units are mandated to render efficient delivery of services to the public by reducing bureaucratic red tape, preventing graft and corruption, and re-engineering current business processing systems at the local level;

Joint Memorandum Circular No. 01, Series of 2016 of the Department of Interior and Local Government, the Department of Trade and Industry and the Department of Information and Communications Technology, directs local government units to revise standards in processing business permits and licenses;

The local government acknowledges the importance of creating an environment conducive to business owners and investors by expediting the yearly renewal process of business licenses to accelerate and improve the delivery of services to the public;

The City of Naga is committed to adopt a simplified and speedy process to remove the complexities in the existing process of issuing a business permit to new or old applicants, thus, necessitating the amendment of certain provisions of Ordinance No. 2015-005, entitled: “An Ordinance Institutionalizing the Business Permit and Licensing System (BPLS) in the City of Naga, Cebu.”

BE IT ORDAINED, as it is hereby ORDAINED by the Sangguniang Panlungsod of the City of Naga Cebu, in session assembled, that:

SECTION 1. TITLE. This Ordinance shall be known as "AN ORDINANCE AMENDING CERTAIN PROVISIONS OF ORDINANCE No. 2015-005," OTHERWISE KNOWN AS THE ORDINANCE INSTITUTIONALIZING THE BUSINESS PERMIT AND LICENSING SYSTEM (BPLS) IN THE CITY OF NAGA, CEBU.

SECTION 2. DECLARATION OF POLICY - It is hereby declared the policy of the City Government to promote economic development through the implementation of an effective and streamlined system in the business registration process, thereby creating ease in doing business and ensuring that the City remains a viable and favorable business destination.

SECTION 3. OBJECTIVES –

- 3.1. To streamline the BPLS;
- 3.2. To specify the roles and responsibilities of the offices, teams and personnel tasked to implement the BPLS; and
- 3.3. To provide penalties for violation of this Ordinance.

SECTION 4. COVERAGE - This Ordinance governs all businesses operating within the jurisdiction of the City of Naga, Cebu.

SECTION 5. LEGAL BASES –

- 5.1. The Constitution mandates that the government shall promote the quality of life of the people. Towards this end, Section 16 of the Local Government Code of 1991 provides that the local government units shall pursue undertakings to enhance economic prosperity among others.
- 5.2. Republic Act No. 7160 also known as the Local Government Code which provides for the powers and duties of the Local Chief Executive. For the purpose of business permit and licensing, the Local Chief executive shall:
 - a. Act as the deputized representative of the National Police Commission, formulate peace and order plan of the city and upon its approval, implement the same, and as such exercise general and operational control and supervision over the local police forces in the city, in accordance with R.A. No. 6975. (Sec. 455 (2)(v)).
 - b. Issue licenses and permits and suspend or revoke the same for any violation of the conditions upon which said licenses or permits had been issued, pursuant to law or ordinance. (Sec 455 (3)(iv)).
- 5.3. National laws and policies providing requirements/conditions for the establishment/registration/operation of businesses as well as safety and labor standards such as but not limited to the following:
 - a. National Building Code and Accessibility Law
 - b. Fire Safety Code of the Philippines
 - c. Sanitation Code of the Philippines
 - d. Labor Code of the Philippines
- 5.4. Republic Act No. 9485 also known as "Anti-Red Tape Act of 2007" which provides the establishment of effective practice aimed at the prevention of graft and corruption in government, and shall likewise take appropriate measure to promote transparency in each agency with regard to the manner of transacting with the public, which shall encompass a program for adoption of simplified procedures that will reduce tape and expedite transactions in government. For this purpose, fixers are strictly prohibited.
- 5.5. DILG DTI Joint Memorandum Circular No. 1 Series of 2010, "Guidelines in Implementing Standards in Processing Business Permits and Licenses in all Cities and Municipalities."
- 5.6. Memorandum Circular 2011-14, Documentary Requirements for a Business Permit

5.7. DILG DTI Joint Memorandum Circular No. 1 Series of 2016, "Revised Standards in Processing Business Permits and Licenses in All Cities and Municipalities."

5.8. Local Revenue Code of the City of Naga, Cebu.

The above shall not preclude the application of special laws, memorandums, circulars, local Ordinances and/or Resolutions that may from time to time be enacted upon by competent authority.

SECTION 6. DEFINITION OF TERMS – For proper implementation of this Ordinance, the terms hereunder provided shall have the following meaning, to wit:

- 6.1. Action – refers to the written acknowledgment of receipt, approval or disapproval made by a government agency or office on the application or request submitted by the client for processing. (DILG DTI JMC No. 01 Series of 2010)
- 6.2. Applicant – refers to the entrepreneur, client, business owner and/or business establishment who and/or which desires to legally operate a business in the City.
- 6.3. BPLS – refers to the Business Permit Licensing System.
- 6.4. BPLO – refers to the Business Permit Licensing Office/r.
- 6.5. Business – a usually commercial or mercantile activity engaged in as a means of livelihood; trade, line; a commercial or sometimes an industrial enterprise; dealings or transactions especially of an economic nature. (*Merriam Websters*)
- 6.6. Business Establishment/Firm - refers to any person, natural or juridical, legally or not registered under existing laws and is doing business in the City.
- 6.7. Business Fees and Charges – refer to the amount determined by the City Treasurer to be paid prior to the issuance of Mayor's Business Permit, in accordance to the Local Revenue Code.
- 6.8. Business One-Stop-Shop (BOSS) - refers to an arrangement where a single common site or location is designated for all concerned agencies in the Business Permit and Licensing System to receive and process applications for business registration. (DILG DTI JMC No. 01 Series of 2016)
- 6.9. Business Establishment Operating Without Mayor's Business Permit – business establishment doing business in the City without a Mayor's Business Permit which shall include those businesses which (1) failed to pay business tax; (2) paid business tax but failed to submit the lacking requirements; (3) failed to renew the Mayor's Business Permit within the prescribed period; and/or (4) those unable to comply with the conditions enumerated in the conditional permit within the period reflected in the said Permit.
- 6.10. Business Establishment Operating in Violation of an Existing Permit – business establishment which has been granted a Mayor's Business Permit but violated the conditions to which the Permit was issued.
- 6.11. Business Permit – shall be known as Mayor's Business Permit; refers to the legal authority granted by the City Government of Naga, Cebu to all persons, natural or juridical, business establishments, offices, institutions and similar others to operate within the territorial jurisdiction of the City for a given period of time.
- 6.12. Business Permit Registration Plate – refers to the permanent business registration plate issued by the Office of the Mayor after compliance with all the requirements for the issuance of a Business Permit, as provided for in this Ordinance.

- 6.13. Business Registration – refers to a set of regulatory requirements that an entrepreneur and/or businessman must comply with to start and continue operating a business entity in the City in accordance with the existing laws and regulations.
- 6.14. City – refers to the City of Naga, Cebu and/or City Government of Naga, Cebu.
- 6.15. Closure Order – issued by the Local Chief Executive to a business establishment operating without a Mayor’s Business Permit.
- 6.16. Conditional permit – refers to a temporary Mayor’s Business Permit issued to an applicant for him to conduct business within a given period with a condition to comply with the lacking requirements based on pertinent existing laws.
- 6.17. Disclosure Verification – verification of information declared in the unified form.
- 6.18. Doing business – shall refer to any acts or activities with the City of Naga, Cebu that imply a continuity of commercial dealings or arrangements.
- 6.19. Fixer - refers to any individual whether or not officially involved in the operation of a government office or agency that has access to people working therein, and whether or not in collusion with them, facilitates speedy completion of transactions for pecuniary gain or any other advantage or consideration. (R.A. No. 9485)
- 6.20. Joint Inspection Team (JIT) – is a composite team whose members come from the various City Government departments implementing business-related regulations and local units of national agencies created and authorized by the City through this Ordinance to conduct joint inspection of business enterprises instead of individual/separate inspections. (DILG DTI JMC No. 01 Series of 2016)
- 6.21. Member Office – refers to the City Government departments and local units of national agencies that are members of the Joint Inspection Team.
- 6.22. Mission Order – refers to the document issued by the BPLO every inspection that will be conducted by the JIT which contains the date, mission order number, the names of the inspectors and respective ID number and the area/s that will be subject to inspection. It is shown to the operator of the business establishment before any inspection is conducted in order to be recognized as JIT. Absence of this document does not however prevent the JIT from inspecting and/or examining other business establishments during inspections, when the need arises.
- 6.23. Negative list – contains the names of establishments that are non-compliant with statutory requirements imposed by government agencies, such as the BFP, including government-owned or controlled corporations (i.e. SSS, Philippine Health Insurance Corporation (PHIC), HDMF) and other regulatory agencies and City Government departments, which will trigger an action from the City to inform the establishment to act on the non-compliance findings within fifteen (15) working days from receipt of notice. The negative list is usually provided by the concerned office/ department/national government agencies to the City prior to the renewal period.
- 6.24. Notice of Violation with Compliance Order – issued by the BPLO to a business establishment upon determination by the JIT that it has violated the conditions to which the Mayor’s Business Permit was granted, with a directive to rectify and correct the identified violation/s within a period of days to be determined by the BPLO, but not to exceed ninety days (90) days.

- 6.25. Post issuance inspection – conducted by the JIT after issuance of the issued regulatory permits and clearances for the purpose/s of disclosure verification and validation within a reasonable period of time but not later than October of each calendar year.
- 6.26. Pre-registration stage – refers to prerequisite steps during the construction and occupancy stages required to be undertaken by businesses before being eligible to apply for business permit; these include securing building/construction permits and occupancy permits and/or permit to operate from concerned agencies.
- 6.27. Processing Time – refers to the time spent by an applicant from the submission of application for business permit with complete supporting documents up to the release of Mayor’s Business Permit.
- 6.28. Unified Form – is a single common document used by a business owner in applying for business registration in the City, that contains the information and approvals needed to complete the registration process and facilitates exchange of information among the City Government departments and National Government Agencies. (DILG DTI JMC No. 01 Series of 2016)

SECTION 7 BUSINESS REGISTRATION SCHEME – The Mayor’s Business Permit application and processing consists of the following three (3) steps:

- 7.1. Application – Applicant, for new business or renewal, accomplishes the Unified Form and submits the required supporting documents for business registration to the BPLO, located at the Office of the City Mayor. Upon BPLO’s finding that all supporting documents are complied with, applicant proceeds to the next step.
- 7.2. Assessment and Payment – Applicant pays the business taxes, fees and charges at the City Treasurer’s Office.
- 7.3. Claim - Applicant claims the Business Permit at the BPLO, located at the Office of the City Mayor.

SECTION 8. CONDITIONAL PERMIT – This may be issued to business establishment where the only lacking requirement/s is/are pertinent clearance/s from the SSS, PHILHEALTH and PAG-IBIG, with the condition that such clearances be submitted to the BPLO within a period of thirty (30) days from the issuance of said Conditional Permit. Failure to submit such clearance/s within the aforestated period can result in the automatic revocation or non-renewal of a business permit.

No business permit registration plate shall be issued to a business establishment with conditional permit.

SECTION 9. NEGATIVE LIST – It shall be the duty of all national government agencies and regulatory bodies implementing business-related regulations to notify and provide the City Mayor with the list of non-complying business establishments which may be used as reference for non-renewal of business permit.

It shall also be the duty of the City Fire Marshal to notify and provide the City Mayor all the registered names of non-compliant establishments with a recommendation not to issue any Business Permit or other required permits/licenses issued by the City Government or revoke existing ones.

In all cases, all national government agencies and regulatory bodies requiring licenses/clearances/certificates shall notify the business establishments of their non-compliance and/or violation.

SECTION 10. BUSINESS ONE-STOP-SHOP (BOSS) – There shall be BOSS every first working day of January until the 20th day during business hours and may still be extended upon the discretion of the Local Chief Executive for a certain period. The City Government

departments and national government agencies and regulatory bodies implementing business-related regulations are required to participate effectively.

SECTION 11. CONDITIONS FOR THE ISSUED MAYOR'S BUSINESS PERMIT

– The issued Business Permit will be automatically revoked if the required supporting permits and clearances, to which the Business Permit was issued have expired and have not been renewed on or before its respective expiration dates.

SECTION 12. BUSINESS PERMIT AND LICENSING OFFICE

– There shall be created under the supervision of the City Mayor a frontline service who shall assist the businesses in their registration and other relevant concerns. It shall be headed by a Business Permit and Licensing Officer who shall serve as the Secretariat of the BPLS Oversight Team and Technical Working Group and who shall head the Joint Inspectorate Team.

SECTION 13. OVERSIGHT TEAM

– It shall oversee the implementation of the Business Permit and Licensing System and is composed of the following:

13.1. Composition:

Chairman:	City Mayor or his authorized representative
Vice Chairman:	Vice Mayor or his representative, preferably the Sangguniang Panlungsod (SP) Chairperson, Committee of Trade, Business and Industry
Members:	City Administrator City Fire Marshal City Legal Officer City Treasurer Representative from the Local Chamber of Commerce and Industry duly authorized as such
Secretariat:	Business Permit and Licensing Officer

13.2. Duties and Functions:

- a. Provide an enabling environment for BPLS reforms namely, the legal framework, budget and logistical support, necessary in instituting the revised BPLS reform standards; and
- b. Institute polices and make requisite directives relative to the revised BPLS standards and other complementary reforms

SECTION 14. TECHNICAL WORKING GROUP

– It shall assist the Oversight Committee in the implementation of the BPLS and assess the performance/ output of the Joint Inspectorate Team.

14.1. Composition:

Chairman:	City Administrator
Vice Chairman:	City Treasurer
Secretariat:	Business Permit and Licensing Officer
Members:	City Legal Officer or authorized representative Public Information Officer SP Chairperson, Committee on Health or authorized representative SP Chairperson, Committee on Finance and Appropriation or authorized representative

14.2. Duties and Functions:

- a. Cause the implementation of BPLS reforms;
- b. Conduct regular trainings of the JIT for capacity and capability building;
- c. Formulate and implement a mechanism for the inspection, verification and monitoring of business establishments;
- d. Undertake intensive campaign against illegal business operations;
- e. Provide data and facts to the business sector and the public in general;

- f. Coordinate with national government agencies and organizations, such as the Social Security System, Philhealth, BIR and Home Mutual Development Fund (Pag-Ibig), if necessary;
- g. Conduct consultation meetings with relevant stakeholders for the improvement of the System and conduct information dissemination to the concerned, if necessary; and
- h. Performs such other tasks and functions necessary for and incidental to the foregoing duties and functions.

SECTION 15. JOINT INSPECTION TEAM (JIT) – It shall ensure compliance of business establishments and operations to existing laws and ordinances through the conduct of inspections.

15.1. Composition:

Team Leader: Business Permit and Licensing Officer (BPLO)

Members: City Building Official or his authorized representative
 City Planning and Development Coordinator
 or his authorized representative
 City Fire Marshal or his authorized representative
 City Treasurer or his authorized representative
 City Health Officer and Sanitary Officer or his authorized representative; and
 City Environment and Natural Resources Officer (C-ENRO) or his authorized representative

15.2. Duties and Functions:

- a. Monitor and enforce existing laws, ordinances, policies, rules and regulations in the operation of businesses and occupations in the City through business inspections;
- b. Conduct pre business permit registration, regular and post-issuance inspections;
- c. Verify information declared by the applicant in the application for business permit and identify unregistered businesses;
- d. Prepare inspection report which would serve as recommendation to the City Mayor in its business decision-making policies;
- e. Monitor developments and changes in businesses activity; and
- f. Performs such other tasks and functions necessary for and incidental to the foregoing duties and functions.

15.3. Mission Order – This shall be brought by the JIT during inspections to be shown to the owner or operator of the business establishment to be inspected in order to be recognized as among the JIT. Absence of this document does not however prevent the JIT from inspecting and/or examining other business establishments during inspections, when the need arises.

15.4. Local Assistance – The JIT may require the assistance of the PNP and all other offices, departments, agencies, if necessary, in the conduct of inspection activities.

SECTION 16. NAGA ENFORCEMENT TEAM (NET) – It shall serve Closure Orders and implement closure of business establishments found to have been operating in violation of this Ordinance.

16.1. Composition:

Team Leader: City Legal Officer

Members: City Administrator or his authorized representative
 Business Permit and Licensing Officer
 City Treasurer or his authorized representative
 City PNP Chief or his authorized representative

16.2. Duties and Functions:

- a. Serve Closure Orders to business establishments operating without a valid Mayor's Business Permit;
- b. Cause the posting of a public notice to the business establishment ordered closed; and
- c. File necessary cases with the City Prosecutor's Office and/or appropriate courts for violation of tax laws and ordinances;

SECTION 17. PAYMENT FOR BUSINESS FEES AND CHARGES – Payment for business fees and charges, without compliance of the required clearances/ licenses by an individual, company or business entity shall not be construed as a waiver in the part of the City Government to enforce this Ordinance.

SECTION 18. ENFORCEMENT AND CORRESPONDING PENALTIES –

18.1. Business Establishment Operating Without Mayor's Business Permit – Upon the JIT's determination that the business establishment is operating without the Mayor's Business Permit, the following procedures shall be observed:

- a. BPLO shall notify and report to the City Mayor the name of the business establishment concerned, name of the owner or authorized representative, address and surrounding circumstances of the business establishment with a recommendation for closure;
- b. Upon the directive of the City Mayor, the City Legal Officer shall cause the issuance of the **CLOSURE ORDER** to the business establishment effective immediately;
- c. The Naga Enforcement Team (NET) shall cause a public notice (i.e. tarpaulin), posted outside of the business establishment, of the closure;

18.2. Business Establishment Operating in Violation of an Existing Permit – Upon the JIT's determination that the business establishment has violated the permits and clearances to which the Mayor's Business Permit was issued, the following procedures shall be observed:

- a. BPLO shall issue a **NOTICE OF VIOLATION with COMPLIANCE ORDER** to the business owner or authorized representative, clearly indicating the violation/s committed with a directive to rectify such violation within a period not exceeding ninety (90) days otherwise, his/her Mayor's Business Permit shall be revoked and/or cancelled. In the determination of the days to comply, the BPLO shall be guided by the magnitude of the corrective measure to be complied with;
- b. Upon expiration of the given period to comply, the BPLO shall issue a Mission Order to the JIT to make a re-inspection and determine if there has been compliance to the noted violation;
- c. Immediately after the conduct of the re-inspection, the JIT shall issue a **PRO-FORMA PROGRESS REPORT** to the BPLO;
- d. Should there be unjustified non-compliance within the given period, the BPLO shall recommend the revocation or cancellation of the existing Mayor's Business Permit to the City Mayor;
- e. Upon the directive of the City Mayor, the City Legal Officer shall cause the issuance of the **REVOCATION OR CANCELLATION OF THE MAYOR'S BUSINESS PERMIT with CLOSURE ORDER**, to the business establishment concerned, effective immediately;

- f. The Naga Enforcement Team (NET) shall cause a public notice (i.e. tarpaulin), posted outside of the business establishment, of the closure;
- 18.3. In both cases (18.1 and 18.2), the CLOSURE ORDER may be cancelled or revoked when the business establishment secures the Mayor's Business Permit or complies or rectifies the identified violation subject to the payment of penalties in addition to the existing late payment charges in accordance with the Local Revenue Code.
- 18.4. If the business establishment continues to operate despite the CLOSURE ORDER, the same shall be considered as second (2nd) offense and be subjected to the appropriate penalties in Item 18.5.
- 18.5. For business establishment/s that violated this Ordinance, the following penalties shall be imposed:
- a. FIRST OFFENSE: Fine of Php2,500.00
 - b. SECOND OFFENSE: Fine of Php3,500.00 and a disqualification to operate a business of any kind within the jurisdiction of the City for a period of two (2) years.
 - c. THIRD OFFENSE: Fine of Php5,000.00 and a disqualification to operate a business of any kind within the jurisdiction of the City for a period of five (5) years.
- 18.6. The foregoing provisions shall however, not apply to completely prohibited or illegal businesses as the same shall be subject for immediate closure.

SECTION 19. ILLEGAL ACTS

- 19.1. Unauthorized removal of the public notice referred to in Items 17.1 (c) and 17.2 (f);
- 19.2. Use of the Business Registration Plate and/or the Mayor's Business Permit by another person or business;
- 19.3. Unauthorized fabrication of the Business Registration Plate, and/or the Mayor's Business Permit alteration or destruction thereof; and
- 19.4. Fraudulently misrepresenting the information of the business operator/ proprietor.

The commission of any aforementioned acts shall cause the imposition of a fine of Php5,000.00 and/or imprisonment of one (1) year.

SECTION 20. NON-ISSUANCE OF BUSINESS PERMIT- No business permits shall be issued to all establishments located in sidewalks, streets, road right-of-way, and other public lands except for areas allowed by the City of Naga thru Executive Order or legislation, ordinance and by order of other government agencies.

SECTION 21. APPLICABILITY – The penalty/ies imposed under this Ordinance shall not bar the City Government from filing appropriate actions for violation of other existing local and national laws in relation to the infractions committed.

SECTION 22. IMPLEMENTING RULES - shall be issued by the BPLS-TWG within sixty (60) days from the enactment of this Ordinance.

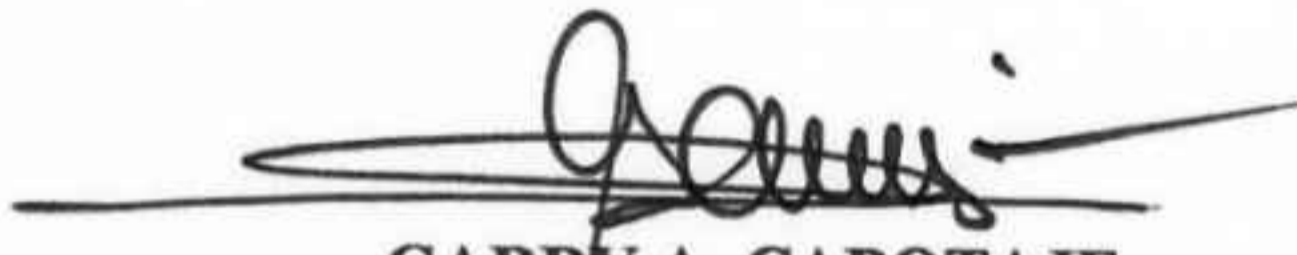
SECTION 23. REPEALING CLAUSE – All Ordinances, rules and regulations found inconsistent with any of the foregoing provisions of this Ordinance are hereby repealed or amended accordingly.

SECTION 24. SEPARABILITY CLAUSE – If for any reason, any part of provision of this Act is declared invalid or unconstitutional by an appropriate court, any part or provision not affected thereby shall remain in full force and effect.

SECTION 25. EFFECTIVITY – This Ordinance shall take effect fifteen (15) days after its publication. Further, let a copy of this Ordinance be furnished to the City Government departments/offices and national agencies concerned for their information and guidance.

UNANIMOUSLY APPROVED this 16th day of May 2018, on motion of Hon. Porferio V. Resaba, Jr., seconded by Hon. Justino L. Dakay.

CERTIFIED CORRECT:



GARRY A. CABOTAJE
Secretary to the Sanggunian

ATTESTED BY



OTHELLO M. CHIONG
Vice Mayor/Presiding Officer

APPROVED BY:



KRISTINE VANESSA T. CHIONG
City Mayor