



JOINT DILG-PHILHEALTH-SSS-DTI MEMORANDUM CIRCULAR
NO. 01 Series of 2014

Date: MAY 9, 2014

TO : ALL CITY MAYORS, MUNICIPAL MAYORS,
SANGGUNIAN PRESIDING OFFICERS AND MEMBERS
AT THE CITY AND MUNICIPAL LEVELS, DILG
REGIONAL DIRECTORS, DTI REGIONAL DIRECTORS
AND BRANCH OFFICES OF THE SOCIAL SECURITY
SYSTEM (SSS), THE PHILIPPINE HEALTH
INSURANCE CORPORATION (PHILHEALTH), THE
HOME DEVELOPMENT MUTUAL FUND (HMDF),
AND MEMBERS OF THE LEAGUE OF CITIES OF
THE PHILIPPINES (LCP) AND LEAGUE OF
MUNICIPALITIES OF THE PHILIPPINES (LMP)

SUBJECT : NEW PROCEDURES FOR SECURING CLEARANCES
FROM THE SOCIAL SECURITY SYSTEM AND THE
PHILIPPINE HEALTH INSURANCE CORPORATION
AND FOR RENEWING BUSINESS PERMITS AND
OTHER PURPOSES

WHEREAS, the results of the 2014 Doing Business Survey conducted by the International Finance Corporation (IFC) revealed that the Philippines' ranking improved from 133rd in 2013 to 108th this 2014 out of 189 countries covered. Such improvement notwithstanding, the government endeavours to level up further;

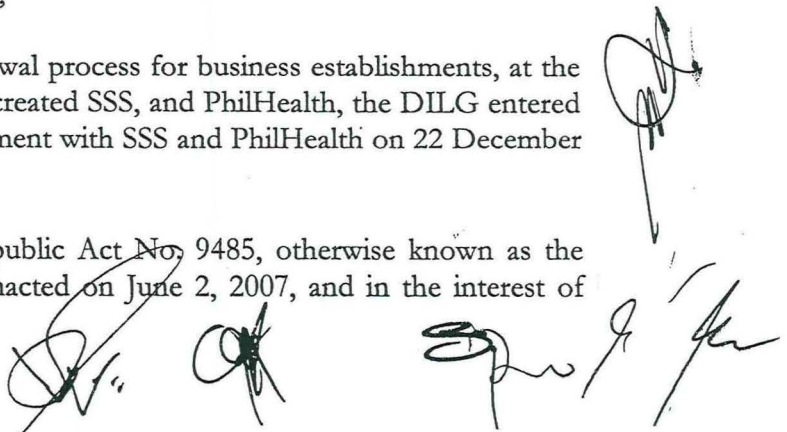
WHEREAS, the Department of the Interior and Local Government (DILG) and the Department of Trade and Industry (DTI), as co-conveners of the Oversight Committee on Business Permits and Licensing System (BPLS), have agreed together with the social security agencies to streamline the procedures for securing and/or renewing business permits;

WHEREAS, the Social Security Act of 1997 and the National Health Insurance Act of 2013 require business permit applicants to first secure an SSS clearance and proof of payment of PhilHealth contributions prior to the issuance of a Mayor's Permit to engage in business;

WHEREAS, the Home Development Mutual Fund (HMDF) likewise requires new employers to first register with the Fund prior to the start of their business operations pursuant to Section 5 of Republic Act 9679;

WHEREAS, to facilitate the business renewal process for business establishments, at the same time fulfil the intent of the laws that created SSS, and PhilHealth, the DILG entered into two (2) separate Memoranda of Agreement with SSS and PhilHealth on 22 December 2012 and 14 February 2014, respectively;

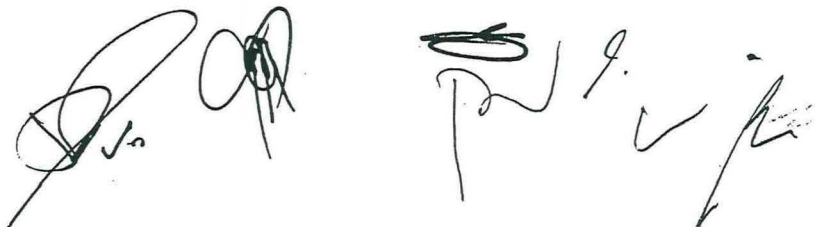
WHEREFORE, in consonance with Republic Act No. 9485, otherwise known as the Anti-Red Tape Act (ARTA) which was enacted on June 2, 2007, and in the interest of



public service and expediency, the following procedures shall be implemented by those concerned:

1. In lieu of the requirement on the submission of an SSS clearance and proof of payment of PhilHealth premium contributions prior to the issuance of a Mayor's Permit, the SSS and PhilHealth shall provide all cities and municipalities with a soft (electronic form) and hard copies of the annual list of delinquent employers, owners or operators of business establishments registered with or accredited by said agencies, not later than the end of November. Such list shall serve as reference in determining factor for the Local Government Unit (LGU) whether to approve or deny an application for business permit or temporary permit to operate;
2. The LGU concerned shall not issue the regular permit to engage in business applied for by a delinquent applicant employer, owner or operator of a business establishment until such time the delinquency is settled with the SSS and/or PhilHealth;
3. The LGUs that follows a post-audit business registration system may issue a 3-month temporary permit to give the delinquent applicant the opportunity to settle its account/s with SSS and/or PhilHealth, otherwise such permit shall be automatically revoked after the lapse of the 3-month period;
4. The SSS and PhilHealth shall inform the delinquent/unregistered members not less than thirty (30) days prior to the business renewal period every January of each year, of the possible suspension or revocation of their business permits if they fail or refuse to settle their accounts/register with them;
5. All Local Chief Executives shall provide the SSS, PhilHealth, HDMF and DTI regional/branch offices with the following:
 - a. List of new and renewing business establishments that have been granted a Mayor's Permit to Operate (*refer to Annex 2 for the template table*);
 - b. List of establishments with SSS and PhilHealth delinquencies that were granted temporary permit to operate (*refer to Annex 3 for the template table*); and
 - c. A separate space in the Business One-Stop Shops (BOSS) set up by the cities and municipalities during the business renewal period every January, where delinquent business/unregistered establishment owners, operators or employers may settle or pay their delinquencies with the SSS and PhilHealth and may register with the HDMF;
6. The regional/branch offices of the SSS, PhilHealth, HDMF and DTI shall submit the required information mentioned in letters a and b of # 5 above to their national offices for consolidation and sharing purposes;
7. The gathered information shall be consolidated into a Business Registry Data Base for the whole country to be managed by DTI.

The implementation of the foregoing procedures shall start on November 2014. During the period of transition hereof however, the following procedures shall apply:

The block contains several handwritten signatures in black ink. There are approximately six distinct signatures, some appearing to be initials or full names, written in a cursive or stylized manner. They are located at the bottom right of the page, below the transition procedures text.

1. The PhilHealth shall perform its above mentioned duties or responsibilities by end-March 2014 and shall issue the necessary clearance as proof that obligations or delinquencies have been settled;
2. In the case of single proprietors renewing their business permits within April to December 2014, cities and municipalities shall temporarily require the submission of the latest receipt or proof of payment issued by PhilHealth.

All government agencies covered by this Circular are directed to immediately disseminate this Joint Circular to all LGUs within their respective regional assignments and to monitor compliance herewith by the latter.

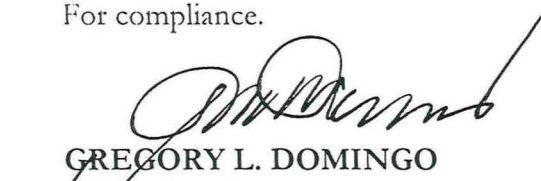
Further, the League of Cities of the Philippines and the League of Municipalities of the Philippines are likewise enjoined to circulate this Circular to all its members.

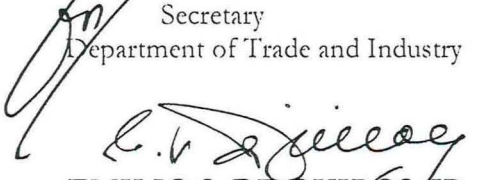
The Local Government Academy, under the DILG, is hereby tasked to prepare the annual reports of compliance herewith and submit these to the Business Permit Licensing System (BPLS) Oversight Committee.

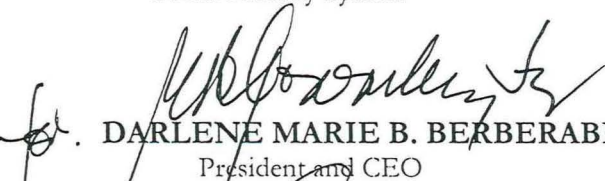
This Joint Circular amends Joint Memorandum Circular No. 1, series of 2012 issued by DILG and SSS on 26 December 2012.

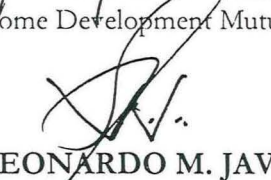
This shall take effect on 14 February 2014.


For compliance.



GREGORY L. DOMINGO
Secretary
Department of Trade and Industry



EMILIO S. DE QUIROS, JR.
President & CEO
Social Security System


DARLENE MARIE B. BERBERABE
President and CEO
Home Development Mutual Fund


LEONARDO M. JAVIER
President
League of Municipalities of the Philippines


MANUEL A. ROXAS II
Secretary
Department of Interior and Local Government


ALEXANDER A. PADILLA
President & CEO
Philippine Health Insurance Corporation


HERBERT M. BAUTISTA
President
League of Cities of the Philippines



DILG-OSCC OUTGOING 14-00427



Annex 1. List of Business Establishments with Delinquencies for the Year _____.

| Name of Business Establishment | Address | Name of President/ Treasurer | Contact Details (Cellphone or Email Address) | No. of Employees | Type of Business |
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Submitted by _____
Designation

Date Prepared _____

Annex 2. List of Business Establishments in _____ [name of City or Municipality]
Granted Mayor's Permits

| Name of Business Establishment | Address | Name of President/ Treasurer | Contact Details (Cellphone or Email Address) | Date of Permit |
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Submitted by _____
Designation

Date Prepared _____

Annex 3. List of Business Establishments in _____ [name of City or Municipality]
 Granted with Temporary Permits Due to PhilHealth Delinquencies

| Name of Business Establishment | Address | Name of President/ Treasurer | Contact Details (Cellphone or Email Address) | Date of Temporary Permit | Revoked or Granted Mayor's Permit (indicate) | Date of Permit Revocation or Grant of Mayor's Permit |
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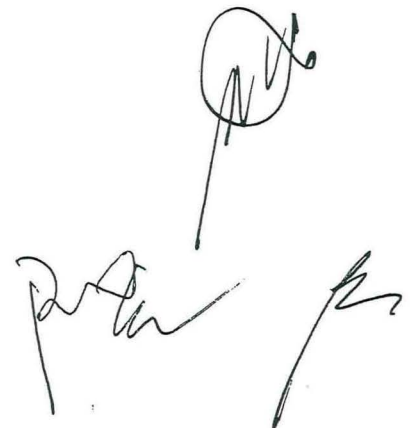
Annex 1. (Template) List of Registered Employers of _____ [SSS or PHILHEALTH]
with Delinquencies for the Year ____.

| Name of the Establishment | Address | Name of President/ Treasurer | Contact Details (Cellphone or Email Address) | No. of Employees | Type of Business |
|---------------------------|---------|---------------------------------|---|------------------|------------------|
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Submitted by _____

Designation

Date Prepared _____



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Annex 2. (Template) List of Business Establishments in _____ [name of City or Municipality] Granted Mayor's Permits

| Name of the Establishments | Address | Name of President/ Treasurer | Contact Details (Cellphone or Email Address) | Date of Permit |
|----------------------------|---------|---------------------------------|---|----------------|
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Submitted by _____

Designation

Date Prepared _____

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Annex 3. (Template) List of Business Enterprises in _____ [name of City or Municipality] Granted with Temporary Permits Due to _____ [SSS or Philhealth] Delinquencies

| Name of the Establishment | Address | Name of President/ Treasurer | Contact Details (Cellphone or Email Address) | Date of Temporary Permit | Revoked or Granted Mayor's Permit (indicate) | Date of Permit Revocation or Grant of Mayor's Permit |
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Submitted by _____

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