REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

June 8, 2015

REVENUE MEMORANDUM CIRCULAR NO. 32-2015

SUBJECT : **Publishes the full text of the Memorandum of Understanding between the DEPARTMENT OF FINANCE (DOF), DEPARTMENT OF TRADE AND INDUSTRY (DTI), DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT (DILG), LOCAL GOVERNMENT OF QUEZON CITY (QC-LGU), BUREAU OF INTERNAL REVENUE (BIR), SECURITIES AND EXCHANGE COMMISSION (SEC), SOCIAL SECURITY SYSTEM (SSS), PHILIPPINE HEALTH INSURANCE CORPORATION (PhilHealth), HOME DEVELOPMENT MUTUAL FUND (Pag-IBIG Fund) and NATIONAL COMPETITIVENESS COUNCIL (NCC)**

TO : All Internal Revenue Officials, Employees and Others Concerned

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For the information and guidance of all concerned, quoted hereunder is the full text of the Memorandum of Understanding between the Department Of Finance (DOF), Department of Trade and Industry (DTI), Department of Interior and Local Government (DILG), Local Government of Quezon City (QC-LGU), Bureau of Internal Revenue (BIR), Securities and Exchange Commission (SEC), Social Security System (SSS), Philippine Health Insurance Corporation (PhilHealth), Home Development Mutual Fund (Pag-IBIG Fund) and National Competitiveness Council (NCC) signed on the 14th day of April at Makati City, Metro Manila. This will support the implementation of programs and projects of the Ease of Doing Business of the World Bank International Finance Corporation.

"MEMORANDUM OF UNDERSTANDING

This **MEMORANDUM OF UNDERSTANDING (MOU),** entered into this 14th day of April 2015 at Makati City, Metro Manila by and among:

The **DEPARTMENT OF FINANCE (DOF),** with principal office address at DOF Bldg., BSP Complex, Roxas Boulevard, Metro Manila, and represented herein by its Secretary **Hon. Cesar V. Purisima**;

The **DEPARTMENT OF TRADE AND INDUSTRY (DTI),** with principal office address at 361 Trade and Industry Building, Sen. Gil J. Puyat Avenue, Makati City, and represented herein by its Secretary **Hon. Gregory L. Domingo**;

The **DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT (DILG)** with principal office address at DILG NAPOLCOM Center, EDSA corner Quezon Avenue, Quezon City, represented herein by its Secretary, **Hon. Mar Roxas** and Undersecretary, Hon. Austere A. Panadero;

The **LOCAL GOVERNMENT OF QUEZON CITY (QC-LGU)** with principal office address at Elliptical Road, Barangay Central, Quezon City, represented herein by its Mayor, **Hon. Herbert M. Bautista**;

The **BUREAU OF INTERNAL REVENUE (BIR)** with principal office address at BIR National Office Building, BIR Road, Diliman, Quezon City, and represented herein by its Commissioner, **Hon. Kim S. Jacinto-Henares**;

The **SECURITIES AND EXCHANGE COMMISSION (SEC)**, with principal office address at SEC Building, EDSA, Greenhills, Mandaluyong City, and represented herein by its Chairperson, **Hon. Teresita J. Herbosa**;

The **SOCIAL SECURITY SYSTEM (SSS)**, with principal office address at SSS Building, East Avenue, Diliman, Quezon City, and represented herein by its President and CEO, **Emilio S. de Quiros, Jr.**;

The **PHILIPPINE HEALTH INSURANCE CORPORATION (PhilHealth)**, with principal office address at Citystate Centre, 709 Shaw Boulevard, Pasig City, and represented herein by its President and CEO, **Hon. Alexander A. Padilla**;

The **HOME DEVELOPMENT MUTUAL FUND (Pag-IBIG Fund)**, with principal office address at Petron Megaplaza Building, Sen. Gil Puyat Avenue, Makati City, and represented herein by its Chief Executive Officer, **Hon. Darlene Marie B. Berberabe**;

The **NATIONAL COMPETITIVENESS COUNCIL (NCC)**, with principal office address at 3rd Floor, Tara Building, 389 Sen. Gil Puyat Avenue, Makati City, and represented herein by its Co-Chairman, **Mr. Guillermo M. Luz.**;

Each a "**Party**", and collectively as the "**Parties**".

-WITNESSETH-

WHEREAS, the Ease of Doing Business (EODB) Report of the World Bank International Finance Corporation (IFC) focuses on the regulations and institutions affecting small and medium-sized domestic businesses;

WHEREAS, the Doing Business Survey (DBS) of the IFC measures and tracks changes in business regulations across ten (10) indicators, namely; starting a business; dealing with construction permits; getting electricity; registering property; getting credit; protecting investors; paying taxes; trading across borders; enforcing contracts; and resolving insolvency;

WHEREAS, all the Parties are members of the inter-agency Task Force on Ease of Doing Business (EODB Task Force), which was created under Administrative Order No. 38, s. 2013 (AO 38) to ensure the Implementation of the *Gameplan for Competitiveness*;

WHEREAS, the Parties aim to improve the ranking of the Philippines in DBS by reducing the number of procedures in Starting a Business from 16 steps to a target of 6 steps and the length of time to complete such registration from 34 days to a target of 8 days;

WHEREAS, the Parties understand the importance of business regulation as a driving force of competitiveness and recognize the need to implement coherent economic policies in the context of a rapidly changing global economy;

WHEREAS, the Parties are fully cognizant of the need to collaborate and forge an alliance between and among the them to improve public services, enhance political accountability, and to formulate better economic policies through a holistic, interdisciplinary and long-term approach;

WHEREAS, the cooperation of all Parties is indispensable to the success of this collaborative effort to improve the overall competitiveness ranking of the Philippines in the EODB Ranking;

WHEREAS, to ensure the coherent and transparent implementation of programs and projects of the EODB Task Force, the Parties have agreed to execute this MOU that will embody the terms and conditions governing their relationships as set forth below;

NOW, THEREFORE, for and in consideration of the foregoing premises, the Parties agree to undertake the following:

1. The Parties shall cooperate within the framework of their respective mandates and authority in the implementation of activities pursuant to this MOU and/or AO 38; provided, that specific cooperative activities initiated by the Parties to achieve the objectives of this MOU and/or AO 38 will be administered under separate project documents, and/or written agreements, duly signed by the Parties, and discussed in joint meetings.

2. The Parties hereby commit to do the following;

    a. Establish networks and linkages between and among themselves for the exchange of data, reports or information;

    b. Meet regularly to identify problem areas, if any, and resolve the same;

    c. Periodically discuss the issues and challenges in EODB, and share successful approaches and practices and develop recommendations for their replication and institutionalization;

    d. Undertake the following projects and activities in accordance with AO 38:

        i. Review and develop policies, programs, and guidelines to ensure the proper implementation of the *Gameplan for Competitiveness*;
        ii. Recommend to the President the issuance of the appropriate measures to promote transparency and efficiency in business practices;
        iii. Implement various EODB reform initiatives aimed at improving the ranking of the Philippines in all ten (10) indicators and the overall Philippine ranking in the IFC DBS;
        iv. Coordinate with the appropriate agencies for the inclusion of the targets set by the EODB Task Force in the performance targets of the concerned departments and agencies in their respective performance-based incentive systems;
        v. Organize the necessary EODB teams to ensure the effective and efficient implementation of the *Gameplan for Competitiveness*;
        vi. Monitor and evaluate the proper implementation of programs and policies; and,
        vii. Perform such other functions as may be necessary or as may be directed by the President for the successful implementation of AO 38.

3. This Memorandum of Understanding shall take effect upon signing by the Parties and shall remain in full force and effect unless revoked upon mutual written consent of all the Parties. No amendment, modification or supplement shall be valid and binding unless the same is in writing and agreed upon and signed by the Parties.

IN WITNESS WHEREOF, the Parties, through their respective duly authorized representatives, have hereunto affixed their signatures on this Memorandum of Understanding on the date and place first above written.

(Original Signed)
CESAR V. PURISIMA
Department of Finance
Secretary

(Original Signed)
GREGORY L. DOMINGO
Department of Trade and Industry
Secretary

(Original Signed)
AUSTERE A. PANADERO
Undersecretary for Local Government
For:
MAR ROXAS
Department of Interior and Local Government
Secretary

(Original Signed)
HERBERT M. BAUTISTA
Local Government of Quezon City
Mayor

(Original Signed)
KIM S. JACINTO-HENARES
Bureau of Internal Revenue
Commissioner

(Original Signed)
TERESITA J. HERBOSA
Securities and Exchange Commission
Chairperson

(Original Signed)
EMILIO S. DE QUIROS, JR.
Social Security System
President and CEO

(Original Signed)
ALEXANDER A. PADILLA
Philippine Health Insurance Corporation
President and CEO

(Original Signed)
DARLENE MARIE B. BERBERABE
Home Development Mutual Fund
Chief Executive Officer

(Original Signed)
GUILLERMO M. LUZ
National Competitiveness Council
Co-Chairman"

All internal revenue officials and employees are hereby enjoined to give this Circular as wide a publicity as possible.

(Original Signed)
KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

H-2