



MEMORANDUM CIRCULAR NO. _____

Series of 2019

SUBJECT: PRESCRIBING THE IMPLEMENTING RULES AND REGULATIONS FOR SECTION 14 OF R.A. 11032 – FOR THE DEPARTMENT OF INFORMATION AND COMMUNICATIONS TECHNOLOGY (DICT) TO ESTABLISH, MANAGE AND MAINTAIN THE PHILIPPINE BUSINESS DATABANK (PBD)

WHEREAS, under paragraph 1 of Section 14 of Republic Act No. 9485 as amended by Republic Act No. 11032, the Department of Information and Communications Technology (DICT), in coordination with the concerned agencies, shall *establish, manage and maintain* a Philippine Business Databank (PBD) which shall provide concerned national government agencies (NGAs) and local government units (LGUs) access to data and information of registered business entities for the purposes of verifying the validity, existence of and other relevant information pertaining to business entities;

WHEREAS, to ensure the attainment of the objectives of this Act, Anti- Red Tape Authority (ARTA) is empowered to monitor and evaluate the compliance of all government offices and agencies including local government units (LGUs), government-owned or -controlled corporations (GOCC's) and other government instrumentalities, whether located in the Philippines or abroad that provide services covering business and nonbusiness transactions and issue notice of warning to erring and/or non-complying government employees or officials; and

WHEREAS, under paragraph 2 of the same Section, the DICT, in consultation with the Department of Trade and Industry (DTI), Securities and Exchange Commission (SEC), Cooperative Development Authority (CDA), National Privacy Commission (NPC), Department of the Interior and Local Government (DILG), Local Government Units (LGUs), and other concerned agencies shall issue the Implementing Rules and Regulations on the establishment, management and maintenance of the PBD;

WHEREFORE, the following rules are hereby promulgated.

PART I
GENERAL PROVISIONS

SECTION 1. Title. These rules shall be referred to as the “PBD Rules” or hereinafter the “Rules”.

SECTION 2. Definition of Terms. For the purposes of these Rules, the following terms are defined as follows:

1. “Act” refers to Republic Act No. 9485, otherwise known as the “Anti-Red Tape Act of 2007”, as amended by Republic Act No. 11032, otherwise known as the “Ease of Doing Business and Efficient Government Service Delivery Act of 2018”.
2. “Administrator” or “PBD Administrator” shall refer to the DICT acting pursuant to its mandate to establish, manage and maintain the PBD.
3. “Application Programming Interface” or “API” refers to a set of code and programming rules that allow software to connect with systems.
4. “ARTA” shall refer to the Anti-Red Tape Authority.
5. “Philippine Business Number” shall refer to the unifying identification number that will pertain to each business entity submitting Entity Data.
6. “Business-related Transactions” refers to a set of regulatory requirements that a business entity must comply with to engage, operate or continue to operate a business, such as, but not limited to, collection or preparation of a number of documents, submission to national and local government authorities, approval of application submitted, and receipt of a forma certificate or certificate, permits, licenses which include primary and secondary clearances and such similar authorization or documents which confer eligibility to operate or continue to operate as a legitimate business as defined under the Act.
7. “Common Entity Data” refers to information or documents of a business entity required and collected by all PBD Participants pursuant to business-related transactions or government services.
8. “CDA” refers to the Cooperative Development Authority.
9. “Council” refers to the PBD Advisory Council as may be created under these Rules.
10. “DILG” refers to the Department of the Interior and Local Government.
11. “DICT” refers to the Department of Information and Communications Technology.
12. “DTI” refers to the Department of Trade and Industry.

13. "Entity Data" refers to information or documents of a business entity required and collected by PBD Participants pursuant to a business-related transaction or government service.
14. "Entity Data Guidelines" refers to the issuances of the Administrator relevant to the data fields and deadlines of submission by the business entities.
15. "Go-Live" means that the PBD has completed all necessary tests and is fully operational.
16. "Government Service" refers to the process or transaction between applicants or requesting parties and government offices or agencies involving applications for any privilege, right, reward, license, clearance, permit or authorization, concession, or for any modification, renewal or extension of the enumerated applications or requests which are acted upon the ordinary course of business of the agency or office concerned.
17. "LGU System" refers to the software to be used by local government units for the computerization of the business permit and licensing system.
18. "LGU" shall refer to the local government units.
19. "NGA" refers to National Government Agency.
20. "NPC" refers to the National Privacy Commission.
21. "Philippine Business Databank System" or "PBD" is the Database of Entity Data developed, operated, managed and maintained by the DICT to provide concerned national government agencies (NGAs) and local government units (LGUs) access to data and information of registered business entities for the purposes of verifying the validity, existence of and other relevant information pertaining to business entities.
22. "PBD Participants" refer to NGAs or LGUs engaged in business-related transactions and government services as defined under the Act.
23. "PCCI" shall refer to the Philippine Chamber of Commerce and Industry.
24. "SEC" shall refer to the Securities and Exchange Commission.
25. "Task Force" refers to the Task Force as may be established under Part III of these rules
26. "TWG" refers to the Technical Working Group as may be established under Part III of these rules
27. "ULAP" refers to the Union of Local Authorities of the Philippines.

In addition, the definitions found under Section 4 of the Act are also adopted.

PART II
THE PBD ADMINISTRATOR

SECTION 3. PBD Administrator Roles and Responsibilities. The PBD Administrator shall be the DICT and shall have the following functions:

1. To design and build the PBD and to make available, through the PBD, Entity Data which have been submitted to it by PBD Participants;
2. To maintain the PBD and ensuring service availability, by itself or through a contractor;
3. To secure the PBD and ensure confidentiality, integrity and availability of the Entity Data contained therein as updated from time-to-time;
4. To coordinate between and consult with LGUs and NGAs in relation to the orderly development, maintenance, operation and management of the PBD;
5. To decide:
 - 5.1. On system infrastructure, such as software or hardware upgrades; and
 - 5.2. On adding, removing or otherwise modifying functionalities of the PBD;
6. To set and promulgate IT, technical, economic or other standards, relating to the use of the PBD. Such standards may cover data collection, data format, access protocols, access pricing, and system connectivity;
7. To determine access rights to the PBD and the Entity Data contained therein;
8. To ascertain the members of the TWG, Task Force or Advisory Council;
9. To effect the data privacy sharing and processing arrangements necessary for the lawful exchange of information among PBD Participants through the PBD;
10. To create and maintain records of PBD usage, including login data, changes made to the system and other metadata;
11. To secure the necessary funding to develop, manage and operate and maintain the PBD;
12. To charge reasonable fees for the usage of the PBD; and
13. To implement and give effect to the One Submission Policy found under the third paragraph of Section 14 of the Act which provides that 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 crosschecked and retrieved in the PBD. This shall be implemented through standards and technology used in the PBD.

Unless otherwise provided, the functions of the Administrator shall be performed by an Undersecretary of the DICT, or as the Secretary of DICT thereof may determine.

SECTION 4. Administrative issuances. In consultation with its stakeholders, the Administrator shall issue regulations, memorandum circulars, guidelines, standards, protocols and other administrative issuances necessary to carry out its functions under the Act and these Rules.

PART III THE PBD TWG, TASK FORCE, AND ADVISORY COUNCIL

SECTION 5. Creation of PBD TWG, Task Force and Advisory Council. Pursuant to Section 19(d) of the Act, the Administrator may create TWG, Task Force or an Advisory Council to assist in the management and operation of the PBD.

PART IV OBLIGATIONS OF PBD PARTICIPANTS

SECTION 6. Responsibilities of PBD Participants. In the performance of its duties above, each PBD Participant shall be obliged:

1. To provide the Administrator with Entity Data as provided in these Rules;
2. To designate an authorized representative within its organization to coordinate with the Administrator and who can make decisions on the PBD Participant's behalf in relation to its obligations under the Act and these Rules; the representative must be at least a third ranking official in the agency;
3. To conform to and abide by technical standards and administrative issuances set by the Administrator;
4. To refrain from using the PBD System for intellectual property violations, hacking and other unlawful activities;
5. To adopt information systems capable of reflecting Entity Data under its custody in real-time, and in view thereof, to develop plans and programs to bring its information technology capabilities thereto;
6. To ensure, at their level, with respect to their information systems:
 - 6.1. Compliance with the Data Privacy Act, which includes in securing the consent of data subjects;
 - 6.2. Appropriate information security;
 - 6.3. Appropriate maintenance, updates, upgrades, and infrastructure; and
 - 6.4. Front line customer support;
7. To inform the Administrator of changes in their system that affects their PBD obligations such as system upgrades, change of vendors, and development of new technology;
8. To arrange for their own connection to the PBD system; and
9. To collaborate with the Administrator for the sustainability of the PBD.

SECTION 7. Data Quality. The PBD Participant shall be responsible for data quality. Entity Data received from PBD Participants shall be made available by the Administrator on as-is-where-is basis.

PART V
DEVELOPMENT OF THE PBD

SECTION 8. Quality Manual and System Policies. The Administrator will issue a Quality Manual containing at least the following: Purpose and Background of the PBD, Definitions and Terminology, Management Requirements and Technical Requirements, Monitoring and Evaluation, and Internal Audit Requirements.

SECTION 9. Features and Functions. The Administrator shall design and develop the PBD in accordance with the requirements as indicated in the PBD System Design (or Specifications) document in collaboration with the PBD Participants. The System Design (or Specifications) shall form part of the Quality Manual.

1. *Person Responsible/System Administrator.* The PBD Participants shall nominate their own System Administrator and its alternate to submit Entity Data as determined by the Administrator. The System Administrator must be at least a third ranking official in the PBD Participant.
2. *Data Collection.* The PBD Participants shall submit Entity Data based on the PBD System Policies.
3. *Access and Examination.* The Administrator shall allow PBD Participants to access Entity Data submitted therein by other PBD Participants for purposes of verifying relevant information pertaining to business entities, subject to the technical guidelines to be issued by the Administrator. The PBD may provide information to the public and the national government agencies, subject to guidelines of which shall be issued by DICT in a separate circular.

SECTION 10. Philippine Business Number.

1. *Philippine Business Number.* A Business Number shall be electronically generated for each business entity as provided by the PBD Participants.
2. *Issuing body.* The guidelines to implement the generation and use of the Philippine Business Number shall be jointly issued by DICT, DTI, SEC and CDA.

SECTION 11. Entity Data.

1. *Common Entity Data.* Unless otherwise specified by the Administrator in subsequent issuances, the following Entity Data shall be submitted by the business entities:
 - 1.1 Business Name
 - 1.2 Regulatory Reference ID (e.g. SEC Registration Number, etc.)
 - 1.3 Registration Date
 - 1.4 Expiry Date
 - 1.5 Status (e.g. active, dissolved etc.)
 - 1.6 Address
 - 1.7 City/Municipality
 - 1.8 Zip code
 - 1.9 Contact Number
 - 1.10 Philippine Standard Industrial Classification Reference
 - 1.11 Tax Identification Number
 - 1.12 Agency/LGU Code (Unified Account Code Structure)

1.13 Business Owner/s

2. *One Submission Policy.* Entity Data already submitted by an applicant or requesting party to an agency that has access to the PBD shall no longer be required by other NGAs and LGUs having the same access.
3. *Guidelines.* The Administrator will issue further rules and circulars, as it may deem necessary for the period of submission of Entity Data (“Entity Data Guidelines”). PBD Participants and business entities are enjoined to cooperate for such purpose.

SECTION 12. Standards of Transmission.

1. *Administrator Obligations.* The Administrator shall set the standards and issue the appropriate guidelines for the allowable modes of transmission of Entity Data.
2. *PBD Participants Obligations.* The PBD Participants shall comply with the standards issued by the Administrator in transmitting Entity Data.

SECTION 13. LGU System. Pursuant to Section 11(c) of the Act, the Administrator shall make available to the LGU-PBD Participants the software for the computerization of the business permit and licensing system.

1. *Development.* The Administrator shall use reasonable efforts to design, develop, and implement the LGU System to allow for the computerization of the business permit and licensing system. For such purpose, the Administrator will issue such further guidelines specifying the timeline and deliverables.
2. *Permitted purpose.* The LGU-PBD Participant shall only use the LGU System for the purposes contemplated herein and under the Act.
3. *Expenses.* The LGU-PBD Participant shall be responsible for any and all expenses for its use and access to the LGU System.

Section 14. Existing Systems. All PBD Participants, including LGU-PBD Participants with respect to business permit and licensing systems, which have existing systems and policies in place must be amended and modified as may be necessary to conform to the standards issued by the Administrator.

PART VI DATA PRIVACY

SECTION 15. Declaration of Policy. The PBD shall be carried out in a manner compliant with the Data Privacy Act.

SECTION 16. Declaration of Public Function. Entity Data processed through the PBD is deemed information necessary in order to carry out the functions of public authority, insofar as the DICT is mandated under Section 14 of the Act to establish, manage, and maintain the PBD, and insofar as such data is required by PBD Participants in accordance with their respective controlling legislation.

SECTION 17. Consent of the Data Subject. It shall be the duty of the PBD Participant to secure the consent of the data subject for the lawful processing of Entity Data, when such

data is covered by the Data Privacy Act, before submitting the same to the PBD. The Administrator may rely on the presumption that such duty has been carried out regularly.

SECTION 18. Information Security. The Administrator shall implement reasonable and appropriate organizational, physical and technical security measures as required under the Data Privacy Act, and other applicable issuances, including data breach notification.

SECTION 19. Data Sharing Requirements. The Administrator shall put in place a common framework for data sharing, compliant with the Data Privacy Act, and other applicable issuances. All PBD Participants shall abide by the same.

PART VII REPORTORIAL REQUIREMENTS

SECTION 20. PBD Participant Reports. Under Section 28 of the Act on the status of PBD implementation, PBD Participants shall submit periodic reports in writing to the Administrator. Additional guidelines shall be issued by the Administrator to implement this provision.

SECTION 21. TWG, Task Force and Council Reports. The body created under Section 5 of these Rules shall submit an annual report to the Administrator on meetings, resolutions, and other relevant matters discussed.

SECTION 22. Administrator Reports. The Administrator shall report to the Congressional Oversight Committee regarding the development of the PBD and its operation, including downtime and other financial or technical issues. The report shall include a discussion on the matters submitted by the PBD Participants and the body created as provided under Sections 20 and 21 above. Such reports shall be made from time to time, as the Administrator may deem necessary but in no case later than every six (6) months.

PART VIII Monitoring and Compliance of PBD Participants

SECTION 23. Monitoring and Compliance. ARTA is empowered to monitor and evaluate the compliance of all government offices and agencies including Local Government Units (LGUs), government-owned or -controlled corporations (GOCC's) and other government instrumentalities, whether located in the Philippines or abroad that provide services covering business and nonbusiness transactions and issue notice of warning to erring and/or noncomplying government employees or officials.

PART IX OTHER PROVISIONS

SECTION 24. Applicability. These Rules shall apply to all PBD Participants and the Entity Data they respectively require and collect as defined herein.

SECTION 25. Access to Information. The PBD Participants as defined may access the PBD and the Entity Data contained therein. Other entities or persons as determined by the DICT

may access the same. For this purpose, the DICT shall issue such other advisories or circulars for the proper implementation of the same.

SECTION 26. Coordination with ARTA - The DICT shall coordinate with the ARTA all business transactions as defined in the Act, as well as all existing and new policies for review and recommendation whether to repeal if the same is outdated, redundant and adds undue regulatory burden to the transacting public.

SECTION 27. Amendment. The DICT shall amend these Rules as it may deem necessary and as provided by law.

SECTION 28. Separability Clause. If any clause, sentence, provision or section of these Rules shall be held unconstitutional or otherwise invalid, the other sections or provisions not otherwise affected shall remain in full force and effect.

SECTION 29. Transitory provision. All existing laws, rules and regulations, circulars, and advisories promulgated, issued or done not otherwise contrary to this IRR shall remain valid, legal, binding, and effective.

SECTION 30. Effectivity. These Rules shall take effect fifteen (15) days after publication in a newspaper of general circulation in the Philippines and upon filing three (3) certified true copies with the Office of the National Administrative Register, University of the Philippines Law Center.

APPROVED.

ELISEO M. RIO JR.
Acting Secretary

Date: _____