

# Improve transparency and foster construction essay

[Business](#), [Management](#)



One of the demands of the Philippines Anti-Red Tape Act of 2007 is for Citizens Charters to be displayed conspicuously in all authorities offices demoing among others, the services provided by that office and criterions on quality and seasonableness to be expected from the bureau rendering these services. Pasay, Malabon, Quezon City, Lapu-Lapu, Caloocan, and Zamboanga City are among the metropoliss that already conspicuously display their Charters in metropolis halls. Necessitating local authoritiess to implement a comprehensive and strategic public consciousness program-including the show of their Charters and work procedures conspicuously at metropolis hall and other authorities offices-reduces legal uncertainness, minimizes the demand for influence peddlers, and creates greater answerability. The Civil Service Commission-which is responsible for supervising national and local authorities conformity with theAnti-Red Tape Act-and the Department of the Interior and Local Government- which is responsible for oversing the behavior of local authorities units-will have to play a important function in this enterprise. A related recommendation is to better and update the Web sites of local authoritiess and national authorities bureaus in the Philippines. It is peculiarly of import that demands, signifiers, and fees for specific services are accurate and accessible online, and that this information is consistent with existent patternFinding the right balance between safety and efficiency is of import in a sector like building.

Smart ordinances guarantee both public safety and grosss for the authorities, while doing the procedure easier for enterprisers. A complex and confounding regulative model hurts concerns and can be a seedbed for corruptness. Alternatively of advancing public safety, excessively stiff

regulations and ordinances may force building into the informal economic system, sabotaging the purpose. Harmonizing to a recent study in states that belong to the Asia Pacific Economic Cooperation, the clip and processs for covering with building licenses is the “ biggest regulative hindrance ” to making business. 1 The World Bank Enterprise Surveys besides found that houses perceive higher degrees of corruptness in states where covering with building licenses is more hard ( calculate 3.

1 ) . 2 In the Philippines, covering with building permits requires more processs and is more expensive than in adjacent states. Across the 25 metropoliss included in Making Business in the Philippines 2011, the procedure requires an norm of 30 stairss and costs 687. 3 % of income per capita. To compare, in the East Asia and the Pacific part, an norm of 19 processs and a cost that is merely 169 % of income per capita are required. For illustration, to obtain a locational clearance in 24 of the 25 metropoliss measured in the Philippines, the builder needs to obtain blessings from the municipality every bit good as from the barangays.

Adding to the high figure of proce- dures are the reviews conducted by the Office of the Building Official and the City Assessor ‘ s Office. Besides, multiple notarizations are required. Taguig has the fewest demands at 25, comparable with Malaysia ( figure 3. 2 ) .

Meanwhile, the mean clip it takes to obtain a building license at 102 yearss is shorter in the Philippines than the regional norm of 167. 2 yearss. This is because many demands can be completed comparatively rapidly.

Zamboanga City, fastest among the 25 Philippine metropoliss, requires merely 46 yearss to cover with building licenses.

The lone economic systems measured by Making Business that require fewer yearss are Singapore ( 25 yearss ) ; the Republic of Korea ( 34 yearss ) ; the United States ( 40 yearss ) and Bahrain ( 43 yearss ) . There are 4 major phases: pre-construction, building, post-construction, and public-service corporations connexions. The noteworthy fluctuations across metropoliss required are due to changing local patterns. Some metropoliss impose extra demands on top of the standard legal demands prescribed by the National Building Code. 3 In others, for illustration, in Taguig, where there is a conjunct attempt underway to portion and organize information internally among a figure of different offices: here, an enterpriser has to finish merely 25 processs. In Pasig, the same enterpriser has to finish During pre-construction, the enterpriser has to obtain preparative documents-such as the certified true transcript of the land rubric and of the revenue enhancement declaration of existent belongings, the barangay clearance, the batch program with the site map from the geodesic applied scientist, the locational clearance, the edifice license and accessory licenses, and the fire safety rating clearance.

All metropoliss, except Taguig, Makati, Batangas City, Davao City, Iloilo City, and Quezon City have more procedural demands during pre-construction than in any other stage ( figure 3. 3 ) . In most metropoliss, local houses have to obtain a certified true transcript of the revenue enhancement declaration of existent belongings, every bit good as a revenue

enhancement clearance from the City Treasurer ' s Office. In Batangas City, Davao City, Iloilo City, Makati, Quezon City, and Taguig the procedure is simpler: a photocopy can be submitted alternatively. The notarization of the application signifier for the locational clearance, a pattern common to most metropoliss, is non required in Marikina, Muntinlupa, Navotas, Paranaque, Taguig, and Valenzuela.

A few metropoliss require extra blessings, adding to the load borne by the enterpriser. San Juan is the lone Philippine metropolis that requires undertaking blessing by the sangguniang panglungsod, or metropolis council, which is the metropolis authorities ' s legislative organic structure. In Iloilo City, its Zoning Board has to O. K. the undertaking, while in Mandaue and Cebu City the city manager ' s office has to give the clearance. In two metropoliss, Pasay and Mandaluyong, local houses must procure an environmental conformity certification from the Department of Environment and Natural Resources. Pasay requires it of all building undertakings in position of the metropolis ' s environmentally critical position near to Laguna Lake. Mandaluyong is purely implementing the Department of Environment and Natural Resources ' demand to show an environmental conformity certification or a " certification of non-coverage " i.

e. , a papers to attest that the edifice does non necessitate an environmental approval-forall building undertakings within its legal power, irrespective of their range and hazard. Simple, low-risk edifices should hold easier conformity regulations than complex, bad undertakings in order to strike a balance between safety and efficiency. Some issues sing edifice license

signifiers have yet to be clearly decided. Under the 2004 Revised Implementing Rules and Regulations of the National Building Code, a edifice license application form must be notarized. However, because of a pending instance in the Court of Appeals oppugning the legality of the 2004 regulations, the Department of Public Works and Highways issued a memoranda round telling the Office of the Building Official non to utilize the new signifiers until the affair is resolved by the high tribunal. Nevertheless, 9 of the 25 metropoliss use the new signifiers, and therefore necessitate notarization.

These metropoliss are Caloocan, General Santos, Malabon, Marikina, Muntinlupa, Navotas, Valenzuela, Zamboanga City, and Manila. The other metropoliss continue with the old application signifiers, salvaging houses 1 process. During building, random reviews are conducted by the Bureau of Fire Protection and by the Office of the Building Official. These may offer chances for payoffs and waste resources. The governments lose out, because they can non consistently supervise the structural soundness of edifices, and concerns lose clip and money every clip they have to halt building to cover with an inspector. Risk-based appraisals and scheduled reviews at critical stages of the building procedure make the procedure more efficient and transparent. Iloilo City stands out as the lone metropolis that does non necessitate reviews during building.

After building, the staying stairss are to obtain the fire safety review certification, the certification of tenancy, the certification of concluding electrical review, and the new revenue enhancement declaration from the

City Assessor ' s Office. These demands besides vary across metropoliss. In all metropoliss except Caloocan, Malabon, Quezon City, and San Juan, the reviews for the certification of tenancy and certification of concluding electrical review take topographic point at the same time. In these metropoliss, the application for the certification of tenancy includes a signifier for the certification of concluding electrical review. The enterpriser receives one articulation review. However, in Caloocan, Malabon, Quezon City, and San Juan, a separate certification of concluding electrical review is a requirement for the certification of tenancy. The new Fire Code in the Philippines imposes extra conformity requirements-such as the Fire and Life Safety Assessment Report. Architects must now undergo 40 hours of developing with the Bureau of Fire Protection in order to be certified.

The study itself requires legion paperss: pre-construction plans/specifications ; the design standards and computations ; a digest of all approved submittals, trials and credence signifiers of all fire protection and life safety characteristics during building ; and a digest of all care and testing records kept by the edifice technology and care sections post-construction. The Fire and Life Safety Assessment Report could be helpful in bettering safety criterions of complex and bad edifices, but it may stand for an extra load for simple or low-risk structures-such as a little storage warehouse for nonhazardous goods. Cities besides vary in footings of the figure of yearss houses need to cover with building licenses.

While it takes merely 46 yearss to cover with building licenses for a warehouse in Zamboanga City, the same undertaking in Manila takes 169

years. Zamboanga City has a comparatively fast edifice license and electricity connexion procedure. Davao City, General Santos, and Mandaue take 57, 71, and 72 years, severally. Meanwhile, houses in metropoliss in Metro Manila may hold to wait for more than 100 years. Time needed to procure H2O and electricity connexions cause most of the local fluctuations here. While building licenses are by and large expensive in the mean Philippine metropolis, there are exclusions ( figure 3.

4 ) . Davao City, where covering with building licenses costs 94. 2 % of mean income per capita, is less expensive, comparative to income, than Taiwan ( China ) , Canada, or Republic of Korea. Within the Philippines, the cost is driven by the locational clearances, constructing licenses, fire safety rating clearances, certifications of tenancy, and public-service corporation connexions. Of these, constructing license fees and public-service corporation connexions take up the biggest portion.

Harmonizing to the National Building Code, the cost of a edifice license is PHP 30 per square meter<sup>4</sup>-that is, PHP 39, 018( USD 837 ) for the instance survey analyzed by Making Business. This explains why 21 of the 25 metropoliss charge the same sum for the edifice license. Batangas City, Caloocan, Cebu City, and Davao City charge PHP 3, 895 ( USD 84 ) less because they use a different fee structure. <sup>5</sup> The cost of the Fire Safety Inspection Certificate varies among metropoliss.

The new Fire Code<sup>6</sup> and its 2009 Implementing Rules and Regulations prescribe the fee for the Fire Safety Inspection Certificate to be “ 10 % of all



fees charged by the Building Official, or by the Local Government, or by other Government bureaus concerned with the granting of pertinent licenses or licences. " This proviso was taken word for word from the Implementing Rules and Regulations of the old Fire Code. 7 It would look that this proviso has been left obscure to give local authorities units some discretion.

Therefore, most metropoliss except Cagayan de Oro, Davao City, Marikina, Paranaque, and Zamboanga City have taken the proviso to intend 10 % of edifice license fees. Cagayan de Oro, Davao City, and Marikina have interpreted it as 10 % of entire fees paid for the certification of tenancy. Paranaque ' s Fire Safety Inspection Certificate fee consists of 10 % of the combined edifice license and certification of tenancy fees. Zamboanga City, which charges about PHP 10, 000 ( USD 215 ) more than the other metropoliss, uses an wholly different expression based on square footage of the building undertaking, which does non hold its footing either in the new or the old Fire Code.

But the most important cost is obtaining an electricity connexion, which averages about 90 % of entire building license costs and varies across metropoliss. The house must pay upfront for the costs of the transformers and installing. It is most expensive in Lapu- Lapu ( PHP 740, 000/USD 15, 883 ) .

It is cheapest in Cebu City, Davao City and Mandaue, as the electric public-service corporations in these 3 locations have a policy of returning the sedimentation within 1 twelvemonth ( figure 3. 5 ) . 8 Electricity connexion in Metro Manila metropoliss is more expensive due to the amended Distribution

Services Open Access Rules, which took consequence in April 2010. Pursuant to this amendment, the Manila Electric Company ( Meralco ) has discontinued relinquishing payment. Applicants are now required to pay the undertaking cost of PHP 420, 100 ( USD 9, 017 ) and a service sedimentation of PHP 144, 360 ( USD 3, 098 ) . Because an electricity connexion can account for up to about 90 % of entire building license costs in some metropoliss, the entire cost of covering with building licenses is lowest in locations with inexpensive electricity connexions, like Davao City ( tantamount to 94.

2 % of income per capita ) . This compares favourably to the 1, 035. 3 % of income per capita houses in Iloilo City have to pay ( calculate 3. 5 ) .

The high cost of electricity and of obtaining an electricity connexion offers a major chance for concern reforms. Since Making Business in the Philippines 2008, 4 of the 20 metropoliss reformed in at least 1 country refering building licenses ( table 3. 2 ) . Davao City stands out as the most improved. In Davao City, the barangay clearance and certified true transcript of a land rubric are no longer required.

The presentation of an original land rubric will do. City hall in Davao City asked the Bureau of Fire Protection to station officers at metropolis hall to ease obtaining the fire safety rating clearances, thereby doing it more convenient for houses to obtain building permits. In add-on, the Davao Light and Power Company changed its policy on reimbursing the cost of transformers to local houses. Previously, the cost was merely reimbursed

upon contract expiration, but now the power company reimburses the sum after merely 1 twelvemonth. The Visayan Electric Company ( VECO ) in Cebu and Mandaue besides lowered electricity connexion costs. Paranaque besides improved in footings of covering with building licenses.

The metropolis no longer requires a separate visit to the city manager ' s office for the city manager ' s clearance as a requirement for the locational clearance. This reform saves the enterpriser 1 process. Electricity connexions have become more expensive in Metro Manila since 2007. An amendment to the Distribution Services Open Access Rules issued by the Energy Regulatory Commission changed the cost construction. Before the new ordinance was enforced, connexion costs were waived or refunded within a twelvemonth by Meralco. With the current regulations, every connexion needs to be to the full paid

What to reform

### **Introduce risk-based blessings**

Not every edifice undertaking should be treated every bit. Complex and hazardous structures- like airdromes, skyscrapers, chemical workss, or any big building-should have stricter criterions for security and control. Many reviews, clearances, and audiences should be in topographic point to vouch public safety.

At the same clip, governments ought to take the clip to measure the hazard of different undertakings and develop risk-based regulations to cover with clearances and blessings in a differentiated mode. An international good pattern is to categorise edifices depending on their environmental impact

and, harmonizing to these features, environmental conformity demands should change. Simple low-risk edifices should hold easier conformity regulations.

Smart ordinances help guarantee safety while promoting efficiency. If metropoliss have the same ordinances for every type of edifice, they run the hazard of of non run intoing demand due to a deficiency of resources- number of inspectors, referees, general staff, and so forth-or jeopardizing safety in the long tally because they can non pay proper attending to complex edifices. States like Colombia have late introduced reforms to sort edifices harmonizing to their hazard.

Harmonizing to Colombian jurisprudence, the edifice analyzed in the Doing Business instance survey is a “ medium-low hazard ” construction. This categorization allows builders of such a construction to bask a faster reexamining blessing procedure, compared with riskier undertakings, and they can avoid the hiring of particular advisers for environmental, fire safety, and traffic surveies. Building governments besides save clip reexamining surveies or directing inspectors to verify them and can concentrate resources on more complex undertakings. Rules like the Fire and Life Safety Assessment Report or healthful reviews should be revised in the Philippines in order to set to the hazard factors and enforcement restraints of every metropolis.

## **Better the efficiency of reviews**

Inspections can be more efficient by altering the current pattern of carrying out random reviews. One manner of making this is to execute risk-based appraisals or agenda reviews at critical stages of the building procedure.

States with a system of riskbased reviews have fewer reviews, on norm, than states with random reviews. Another manner to better efficiency is for different offices to carry on joint, coincident reviews for different demands. Several Filipino metropoliss are already engaged in this pattern, when it comes to reviews for the certification of tenancy and certification of electrical review. Joint reviews require better coordination among the offices that conduct inspections-the City Planning and Development Office, the Office of the Building Official, and the Bureau of Fire Protection. Authorities in Hong Kong SAR ( China ) , China, and Singapore already follow this pattern. The other face of efficiency is, capacity. There must be an equal figure of edifice functionaries who are decently trained to implement National Building Code criterions, and whose supervising and coverage lines are clear. In most metropoliss, the edifice functionary is besides the metropolis applied scientist.

This poses a figure of jobs. The edifice functionary is responsible for implementing the Building Code, describing to the secretary of public plants and main roads. The metropolis applied scientist, on the other manus, is besides responsible for supervising civil plants on behalf of the local authorities and therefore studies to the metropolis city manager, presenting a possible struggle of involvement. The combined work load may besides be

a cardinal ground for the delayed blessing of edifice licenses. The Local Government Code should be amended to make a separate lasting office for the local edifice functionary.

### **Increase transparency by printing helpful information**

Covering with building licenses can be made easier with bit-by-bit ushers to assist builders better understand the procedure. The Citizen ' s Charter is a important measure toward this. Cities have made the attempt to expose flow charts from the Charter in outstanding topographic points at their metropolis halls, on their web sites, or in booklets.

They need, nevertheless, to do certain that the information is systematically accurate. A major driver of fluctuations in clip, cost, and figure of processs related to building licenses is the uncertainness environing the 2004 Revised Implementing Rules and Regulations of the National Building Code. While waiting for the declaration of the instance pending in the Court of Appeals that inquiries the legality of the Implementing Rules and Regulations alterations, local authoritiess have gone in front and made determinations on unsolved issues. These determinations include the usage of old versus new constructing license application signifiers, calculation of constructing license fees, alterations in fee constructions, calculation of tenancy fees, and needed signatures in edifice programs. Clarity on the regulations and fees to be paid saves clip for houses and helps prevent abnormalities. In the Indonesian metropolis of Makassar, for illustration, local Torahs give a clear indicant of how fees are calculated and which paperss are required.

A list with the expression to cipher the edifice license fee and the papers needed is conspicuously posted at the City Planning and Development Office. Land is a cardinal economic plus in every society. Ill administered belongings systems or non clearly defined belongings rights prevent land from being turned into productive capital. An efficient belongings enrollment system has existent benefits.

When there is a formal title, enterprisers can utilize their immoveable assets to obtain recognition and turn their concerns. A survey in Peru<sup>1</sup> suggests that belongings rubrics are associated with a 10 % addition in loan blessing rates for building stuffs. Indeed, Bankss in states missing equal creditor information prefer land rubrics as collateral, because land is hard to travel or conceal. In the Philippines, 70 % of commercial bank loans to houses are secured by land. <sup>2</sup> Property titling can besides significantly increase land values and investment.

<sup>3</sup> Furthermore, belongings enrollment benefits authoritiess, because more belongings registered translate into greater revenue enhancement grosss. Across states, houses of all sizes report that their belongings rights are better protected in states with more efficient belongings enrollment. But the relationship is stronger for little firms. <sup>4</sup> Large concerns tend to hold ample resources to protect their belongings rights. They can afford to put in security systems and take other steps to support their belongings.

But small-scale enterprisers may non Making belongings enrollment easy allows enterprisers to concentrate on their concerns. Worldwide, it is easy to

register belongings in Saudi Arabia, where the full procedure can be completed with 2 processes, in 2 years, at zero cost. Some states within the East Asia and the Pacific part are not far behind. In Thailand, it besides takes 2 processes and 2 years, and in New Zealand, it costs merely 0.1 % of the belongings value to reassign a belongings from one domestic private company to another. Registering belongings in the Philippines is not rather every bit simple, efficient, and low-cost as that.

It takes 8 to 9 processes and an norm of 37 years to reassign an ownership rubric, while the mean cost comes to 4.5 % of the belongings value ( figure 4.1 ). While the figure of processes varies merely somewhat between metropolises, the clip and cost vary well. Registering belongings is easier in Valenzuela, where it requires 8 processes that take 30 years and cost 3.5 % of the belongings value.

It is more hard in General Santos, where it requires 9 procedures that take 43 years and cost 5.6 % of the belongings value ( table 4.1 ). Registering belongings can be grouped into 3 major phases: ( 1 ) fixing the title of sale and related papers ; ( 2 ) finishing tax-related requirements, which involve processes at both the Bureau of Internal Revenue and metropolis authorities offices ; and ( 3 ) registering with the Register of Deeds. Property enrollment is managed at the national degree by the Land Registration Authority, which has regional offices around the Philippines. Five processes are governed at the local degree.



Among Filipino metropoliss with 9 processs ( alternatively of 8 ) , the excess demand is an review by the City Assessor ' s Office as a requirement to obtain a new belongings revenue enhancement declaration in the name of the new proprietor ( the purchaser ) . Cities necessitating this extraprocess are: Cebu City, General Santos, Makati, Malabon, Mandaluyong, Muntinlupa, Pasay, Paranaque, San Juan, and Zamboanga City. The clip needed to register belongings varies across the 25 metropoliss included in this study ( figure 4. 2 ) .

In Mandaluyong, houses spend an norm of 22 yearss to register property-the same as their rivals in Indonesia. In Cagayan de Oro, enrollment takes 81 days-about 2 months longer. The differences are due chiefly to the efficiency of local officesof national agencies-namely, the local Register of Deeds and regional territory offices of the Bureau of Internal Revenue. Procuring enrollment with the Register of Deeds is by and large the longest process: it takes every bit long as 30 yearss in Lapu-Lapu and Mandaue and up to 60 yearss in Cagayan de Oro. Another hold is obtaining the Certificate Authorizing Registration from the Bureau of Internal Revenue. Although the Bureau has issued a memoranda stating that the Certificate Authorizing Registration is to be released within 5 yearss, this is non observed in pattern, except in Paranaque. On norm, it takes 14 yearss, while it takes 25 yearss in Lapu- Lapu and Mandaue and 21 yearss in Batangas City, General Santos, Iloilo City, and Quezon City. The best local patterns are seen in Paranaque ( as mentioned ) , Las Pinas, Mandaluyong, and Muntinlupa- the latter 3 release the certification in 10 yearss.

Registration costs differ well across metropoliss due to fluctuations in the belongings transportation revenue enhancement and notarization fees, both of which are assessed as a per centum of the belongings value. The metropoliss charge a transportation revenue enhancement runing from 0. 33 % in Mandaue to 0. 83 % in Iloilo City and Caloocan. Las Pinas and Malabon charge a transportation revenue enhancement of 0. 5 % of the belongings value and so impose an extra PHP 4, 566 ( USD 98 ) community revenue enhancement on belongings gross revenues. Under Philippine jurisprudence, notarization is the official act to change over a private papers that is adhering merely for the parties straight involved, into a public dealing that is adhering for 3rd parties. Notaries charge between 1 % and 3 % of the belongings value to notarise a title of sale.

Notaries in metropoliss outside Metro Manila charge, on norm, 1 % while many of those within Metro Manila charge from 2 % to 3 % of the belongings value. Although there are guidelines on the rates that may be charged on legal fees, including notarization, issued by chapters of the Integrated Bar of the Philippines, these guidelines are no more than recommendations. Some positive concern reforms improve the transportation of belongings in the Philippines. Six of the 20 metropoliss benchmarked for the 2nd clip demo an betterment in this country ( table 4. 2 ) . Over the past 2 old ages, the Land Registration Authority has embarked on a countrywide land titling cybernation undertaking designed to consolidate land records into a individual national database and facilitate enrollment and hallmark of rubrics. This reform is necessary as land records are scattered among the

local Register of Deeds offices of the Land Registration Authority, alternatively of being consolidated in a individual national database. This makes it hard and expensive for belongings purchasers to track the genuineness of revenue enhancement clearances on land rubrics.

The manual handling of deeds-with its possible for losing files and typographical errors- is a cardinal ground for holds in the enrollment of workss. Eighteen out of the 25 metropoliss covered by this survey either initiated or completed their cybernation attempts as of June 1, 2010. Among the first to do the passage is Cebu City, whichnow has a to the full operational system. As a consequence, Cebu City cut the clip it takes to register with the Register of Deeds in half-from 10 to 5 yearss. A computerized land-titling system offers several benefits ; foremost among them is greater efficiency in the enrollment and hallmark of rubrics. However, in metropoliss that began the passage procedure subsequently ( i. e. , in late 2009 or early 2010 ) , the passage has caused impermanent holds recorded by this survey.

In Davao City, for illustration, the Register of Deeds now takes 4 more yearss to register belongings than earlier. In Lapu-Lapu, houses have to wait 30 yearss as the metropolis is in the first stages of the cybernation undertaking, compared to 10 yearss before cybernation began. Once the Register of Deeds in each metropolis is to the full computerized, treating rubric enrollments is expected to be faster than earlier. The cost of registering belongings increased somewhat with cybernation. Computerization is supposed to cut down disposal costs in the medium term, but in the short

term, the Land Registration Authority is going through on the costs of modernisation to the terminal users.

The Land Registration Authority has imposed information engineering fees of PHP 269 ( USD 6 ) per papers and PHP 158 ( USD 3 ) per rubric ( including value-added revenue enhancement ) to cover the costs of cybernation. The net consequence for this survey is that the cost of enrollment with the Register of Deeds has increased by about PHP 2, 000 ( USD 43 ) . In four metropoliss registering belongings became less expensive, as compared to 2008. Notaries in Caloocan, Malabon, Navotas, and Valenzuela, which charged, on norm, 2 % of belongings value for their services, arrived at an informal understanding to cut down their fees to 1 % . This decrease reportedly comes in response to increasing competition from new notaries.

As a consequence, the enterpriser in these metropoliss today pays PHP 41, 700 ( USD 895 ) less to register belongings. The improvement in the ranking for the three out of the four metropoliss reflects this important decrease in costs. Pasay found another manner to do registering belongings less cumbersome. While other metropoliss require the revenue enhancement clearance certification of existent belongings revenue enhancements as a requirement to the payment of transportation revenue enhancements, Pasay allows both processes to be completed at the same time at the City Treasurer ' s Office.

Requirements, clip, and cost to register belongings are all affected by the national land disposal system. The Philippines ' land disposal system faces

existent challenges, good documented in a figure of studies. 5 One of these troubles is an unequal land information system-a defect which the land-titling cybernation undertaking seeks to turn to. But because information about land ownership, location, boundaries, and land values are still non consistently available to many local authorities, fraud abounds, which has besides led to set down ownership conflicts. 6 All rubric differences must travel to the tribunals, and this has resulted in holds and maltreatment. Land records direction has besides been deficient. War, larceny, fire, and H2O harm have rendered a big proportion of records losing ; while others are losing as a effect of frequent transportations of records. Still others are in delicate status or illicitly altered.

At the same clip, duplicates and/or convergences in rubric records are non easy detected by the current system. This is because title records in the Register of Deeds-which is the ultimate depository of land rubrics in the country- can non be matched with package or cadastral map Numberss: original cadastral studies and record maps are kept at the Land Management Bureau of the Department of Environment and Natural Resources, while transcripts of subsequent studies on coroneted belongings and municipal index maps are kept at the Land Registration Authority. These maps do non demo or fit the cadastral information stored at the Land Management Bureau. Furthermore, the absence of a national criterion and method for existent belongings rating has resulted in inefficient allotments and uses of the land market and a deficiency of public assurance in the existent belongings sector.

7 The belongings rating methodological analysis vary harmonizing to the intent for which land is assessed. 8 Pending Evaluation Reform measures seek to set up criterions to regulate the rating of existent belongings, and to follow market value as the individual existent belongings rating base for the appraisal of all existent property-related revenue enhancements in the state. The high cost and complexness of registering belongings in the Philippines is particularly dramatic when compared with the state ' s regional neighbours. In Thailand, for illustration, it takes merely 2 processs and 2 yearss to register belongings, which can so be used as collateral for a concern loan.

Both the Philippines and Thailand have title enrollment systems and a decentralized land disposal with cardinal control. But in the Philippines, the private study sector is strong and their study processs are excessively specified yet under-regulated. The consequence is a comparatively high cost of surveying, which is passed on to the populace. To contrast, Thailand ' s efficient land titling ( first enrollment ) processs haserved as a theoretical account for systematic land titling in the part. The Philippines is flying new land titling processs, but with limited usage of engineering. Not surprisingly, Thailand enjoys high public assurance in its public disposal system and, in peculiar, its land disposal system. The Philippines faces a major challenge for its land disposal system-and its public disposalsystem in general: to derive and keep public confidence.

9 Many developed states and an increasing figure of developing states have simple, cheap, and fast belongings enrollment processes. The Philippines

could do registering belongings easier with the undermentioned recommendations. What to reform

### **Convert the cast, transportation revenue enhancements and notary fees into fixed fees**

Percentage-based fees may take houses to underestimate their belongings, or they may merely avoid enrollment wholly. The Philippines could replace its per centum based fees with fixed fees, following a agenda of payments to be applied to belongings transportation minutess. This could deter revenue enhancement equivocation and cut down informal rubric transportations. The addition in gross from new enrollments could probably do up for any decrease in fees collected per belongings.

The Indian province of Maharashtra and Egypt are illustrations of legal powers that reduced fees, yet saw entire revenue enhancement grosss stay steady or rise, chiefly because of an addition in transactions. Maharashtra ' s stamp-duty grosssjumped by 20 % after the province reduced the cast responsibility from 10 % to 5 % . 10 Egypt ' s gross from belongings enrollment increased about 39 % due to the addition in the figure of enrollments when the national authorities lowered the entire cost of belongings registration.

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### **Introduce fast-track processs**

The Bureau of Internal Revenue and Register of Deeds could offer clients a pick of expedited processs: pay a somewhat higher fee for faster completion

of the enrollment procedure. Cases would be prioritized in a crystalline mode, and those who prefer not to wait would be given an official manner to rush up the procedure. This type of strategy is offered in a figure of states around the universe. For illustration, enterprisers in Lithuania must obtain a certification of executing for the existent estate dealing, which takes 9 days, on norm. Then they apply for a rubric transportation at the register, which takes another 10 years, on mean. Now, if they do not desire to wait, they can pay a higher fee which cuts the entire clip from 19 to 3 years. Fast-track processes help prioritise the work of the register and let enterprisers to concentrate on their concern.

### **Standardize demands at the Register of Deeds and the Land Registration Authority**

The Land Registration Authority's supervising over local Register of Deeds offices is non uniform-as seen in the variable descriptions of procedural demands and calculations of costs from metropolis to metropolis, included in the list of processes of this study. To minimise the Register of Deeds' discretion sing procedural demands and costs, the Land Registration Authority must set up an official policy and guarantee that it is purely implemented.

### **Complete the Land Registration Authority cybernation undertaking and proctor public presentation under the new system**

The passage from a manual land titling system to a computerized 1 has caused holds in some metropoliss, as they begin the procedure. Newly



retrained employees still face a learning curve while many records are out of their usual filing cabinets, being encoded. In this procedure, an enterpriser wastes clip waiting for Register of Deeds staff to look for records and voyage an unfamiliar system.

The Register of Deeds needs to implement impermanent stairss, tailored to the demands of specific regional offices, to minimise near-term holds.

### **Review the Bureau of Internal Revenue ‘ s protocols with authorised agent Bankss to turn to holds in presentments of payments for Certificate Authorizing Registration**

The Bureau of Internal Revenue begins treating an applier ‘ s Certificate Authorizing Registration after it has been informed by the authorised agent bank that the payment was deposited. Ideally, the authorised agent bank would inform the Bureau of Internal Revenue of the payment instantly after such payment is made. However, holds in the poster of payment are known to occur- in fact, certain Bankss have acquired a repute for delayed posters. The Bureau of Internal Revenue must look into the holds and may necessitate to enforce stricter protocols.

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