

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila

**EIGHTEENTH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 446**



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Introduced by **Representative Manuel Luis T. Lopez**

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### **EXPLANATORY NOTE**

According to the 2017 World Bank Doing Business Report, the Philippines overall rank was 99th out of 190 Economies after taking into consideration factors such as, dealing with construction permits and paying taxes among others. Although there has been steady improvement in the world ranking of the Philippines, there is still more that needs to be done. The report used Quezon City as a representative of the whole Country. In reality however, most of the other government agencies and instrumentalities do not provide the same kind of service and are not as well equipped as the aforementioned city.

Another problem that must be addressed is the continued existence of “fixers” mainly in government offices providing frontline services. This is another factor that greatly contributes to the widespread corruption our Country has been plagued with. This is further shown by the 2016 Survey of Enterprises on Corruption conducted by SWS, which said that the Bureau of Customs (BOC) received a “very bad rating” while the Land Transportation Office (LTO) received a “bad rating” from businessmen as the least sincere agencies in fighting corruption.

Thus, this bill, first filed in the 17<sup>th</sup> Congress and has been pending with the Committee on Civil Service and Professional Regulation since February 13, 2017, seeks to address corruption in frontline government transactions as well as to make conducting business more efficient by providing a “cash less” transaction scheme. This bill would be removing the role of middlemen as well as addressing the issue of conducting transactions without the necessary authorized receipts.

In view of the foregoing, the passage of this bill is earnestly sought.

  
**HON. MANUEL LUIS T. LOPEZ**  
*Representative*  
*1<sup>st</sup> District, City of Manila*

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**AN ACT**  
**MANDATING ALL GOVERNMENT AGENCIES TO IMPLEMENT A “NO CONTACT”**  
**POLICY WITH REGARDS TO ALL TRANSACTIONS, APPLICATIONS, PERMITS,**  
**PRIVILEGES, LICENSES, CONCESSIONS OR AN EXTENSION OR RENEWAL THEREOF**  
**AND ANY OTHER BUSINESS DEALING WHICH INVOLVES ANY PAYMENT, FEE, OR**  
**ANY EXCHANGE OF MONETARY VALUE FOR SERVICES THAT THE GOVERNMENT IS**  
**AUTHORIZED OR REQUIRED TO PERFORM AND PROVIDING FUNDS THEREFOR**

*Be it enacted by the Senate and House of Representatives of the Republic of the Philippines  
in Congress assembled:*

1       **SECTION 1. Short Title.** – This Act shall be known as the “Zero Contact Transaction  
2 Law of 2019.”

3  
4       **SEC. 2. Declaration of Policy.** – The State recognizes the need to put an end to  
5 corruption in government agencies providing services and engaging in transactions with  
6 the public by standardizing all payments and removing all exchanges of monetary value  
7 from these agencies and instead coursing it through the duly designated banks and  
8 financial institutions. The State further recognizes that the current “red tape  
9 bureaucracy” existing in our Country must be eradicated by removing the exchange of  
10 monetary amounts in the respective government agencies and transferring it to a duly  
11 authorized financial institution.

12  
13       **SEC. 3. Definition of Terms.** – As used in this Act, the following terms are defined  
14 as follows:

15       (a) *Authorized Affiliate Financial Institutions (AAFI)* - Any duly accredited Bank or

1 Financial Institution authorized to receive payments in favor of the different  
2 government agencies covered by this Act. Pending the accreditation of these  
3 private firms, the Land Bank of the Philippines will serve as the main financial  
4 institution authorized to receive the payments.

5 (b) *Authorized Receipt*- refers to the proof of payment with the AAFI, which shall  
6 be submitted to the respective government agencies. This will serve as the  
7 official receipt to ensure that all fees have been settled, which shall be  
8 submitted together with the complete documents as the offices may require.

9 (c) *Checklist*- refers to an official detailed form, which includes all requirements  
10 that must be submitted in order to comply with the particular transaction  
11 coupled with its official seal and the signature of the head of the office. This  
12 would also include the total cost of all processing fees and the time period for  
13 completion.

14 (d) *Frontline Service*- refers to the process or transaction between clients and  
15 government offices or agencies involving applications for any privilege, right,  
16 permit, reward, license, concession, or for any modification, renewal or  
17 extension of the enumerated applications and/or requests which are acted  
18 upon in the ordinary course of business of the agency or office concerned.

19 (e) *Government Agency*- refers to any of the various units of the Government of  
20 the Republic of the Philippines, including a department, bureau, office,  
21 instrumentality or GOCC, or a local government or a distinct unit therein,  
22 which include but shall not be limited to those that provide frontline services.  
23

24 **SEC. 4. Coverage.** -This Act shall apply to all government agencies of the  
25 Government of the Republic of the Philippines, including all departments, bureaus,  
26 offices, instrumentalities, Government Owned and Controlled Corporations, or a local  
27 government or a distinct unit therein.  
28

29 **SEC. 5. Publication of Complete Checklist for each Transaction.** -All government  
30 agencies and offices providing frontline services to the public, where any exchange of  
31 payments or legal fees are made, must publish a detailed checklist of all the pertinent  
32 requirements that need to be accomplished and complied with whether in printed or  
33 digital format. Further, the checklist must contain the number of days that the agency will

1 require in order to be able to process the application or request. The approval or denial  
2 must be communicated to the applicant within 10 calendar days from the decision. In  
3 case of a denial, it must completely state the reason/s therefor.

4  
5 **SEC. 6. Mandate.** – All government agencies and institutions covered by this Act  
6 are hereby mandated to cease and desist from accepting any payment or fee concerning  
7 transactions with their respective offices and may only receive the proof of payment as  
8 issued by the Authorized Affiliate Financial Institutions.

9  
10 **SEC. 7. Where Payment made.** – All application fees and necessary payments must  
11 be paid to the Authorized Affiliate Financial Institutions upon completion of the  
12 requirements as provided in the different checklists for each agency. No further amount  
13 may be charged by the government agency concerning the same transaction or  
14 application unless such fee is included in the checklist and that payment is to be made  
15 subsequently as provided therein.

16  
17 **SEC. 8. Procedure.** – The Contact Less Transactions would involve a 3-step  
18 process as follows:

- 19 a. All Government Agencies are mandated to publish on their respective  
20 websites or if none, make available printed copies in their respective offices  
21 a checklist of all the documents that need to be submitted and fees that  
22 need to be paid. All fees not included in this list shall no longer be  
23 chargeable to the applicant.
- 24 b. Upon completion of all the required documents and payment of fees with  
25 the AAFI, the applicant must submit this to the respective government  
26 agency and shall await the approval or denial of the request/ application  
27 within the duly published period indicated in the checklist.
- 28 c. Upon receipt of the complete list of requirements and payment of fees, the  
29 said Government Agency must act on the application within the duly  
30 published period and must immediately thereafter inform the applicant via  
31 text message, telephone call, email, or any other means of communication  
32 deemed necessary. In case of denial, the reasons for such must be indicated  
33 in the return form.

1           **SEC. 9. Action on the Request.** – When the application involves the exercise of a  
2 ministerial function, the government agency involved shall approve the request upon  
3 compliance with all the requirements and payment of the pertinent fees with the AAFI.  
4

5           If such involves the exercise of discretionary authority, the government agency  
6 shall approve or deny the request as the case may be. In case of a denial, the return must  
7 state the reasons therefor and if possible, any remedy that may be availed of by the  
8 applicant.  
9

10           **SEC. 10. Penalties.** – Failure to comply with the duly published time period for the  
11 processing and approval or denial of the different applications without sufficient and  
12 valid excuse shall be punished by imprisonment of not less than 6 months but not more  
13 than 3 years or a fine of not less than Fifty Thousand Pesos (P50,000.00) but not more  
14 than Two Hundred Thousand Pesos (P200,000.00) or both.  
15

16           Any person who is found to have willfully or maliciously charged or received an  
17 amount not included in the duly published checklist shall be punished with imprisonment  
18 of not less than 6 years but not more than 20 years and a fine of not less than Five  
19 Hundred Thousand Pesos (P500,000.00) but not more than Five Million Pesos  
20 (P5,000,000.00).  
21

22           Any Person found guilty of violating any other provision of this Act or any rules  
23 and regulations issued pursuant hereto, shall, upon conviction be punished by  
24 imprisonment of not less than 6 months but not more 6 years or a fine of not less than  
25 Thirty Thousand Pesos (P30,000.00) but not more than One Hundred Thousand Pesos  
26 (P100,000) or both.  
27

28           **SEC. 11. Transitory Provision.** – All transactions already pending with the  
29 respective government agencies at the time of the passage of this Act shall be governed  
30 under the laws, rules, and regulations under which these were applied with. However, all  
31 subsequent transactions and applications shall follow the procedure outlined in this Act.  
32



1           **SEC. 12. Implementing Rules and Regulations and Standard Forms.** - Within  
2 sixty (60) days from the promulgation of this Act, the necessary rules and regulations for  
3 the proper implementation of its provisions shall be formulated by the appropriate  
4 government office or agency, subject to the approval of the President of the Philippines.  
5 For a period not later than thirty (30) days upon the approval of the implementing rules  
6 and regulations, the standard forms for the checklist shall be formulated and approved.

7  
8           **SEC. 13. Repealing Clause.** - All laws, ordinances, executive orders,  
9 administrative orders, rules, regulations, decrees, and other issuances or parts thereof,  
10 which are inconsistent with the provisions of this Act are hereby revoked, repealed, or  
11 modified accordingly.

12  
13           **SEC. 14. Separability Clause.** - If any provision of this Act is held unconstitutional  
14 or invalid, the other provisions not affected thereby shall continue in operation and  
15 remain in full force and effect.

16  
17           **SEC. 15. Effectivity Clause.** - This Act shall take effect fifteen (15) days after its  
18 publication in a newspaper of general circulation or the Official Gazette.

19  
20           Approved,