

GUIDE TO DOING BUSINESS IN PUERTO PRINCESA CITY

Puerto Princesa is the Philippines' largest city, with a total land area of 253,982 hectares. It bisects the island of Palawan, of which this city is the capital. Puerto Princesa's western side faces the South China Sea while along its eastern coast lies the Sulu Sea. It is part of the Philippines' Region 4.

The City offers the conveniences of city living, while also rich with the attractions of a pristine tropical paradise. Lush rainforests, white sand beaches and various other nature preserves are just a few hours away from the city proper. The Puerto Princesa Subterranean River National Park (PPSRNP), or the Puerto Princesa Underground River (famously called PPUR), is one of the most important biodiversity conservation areas of the Philippines. The PPSRNP is a United Nations Educational, Scientific and Cultural Organization (UNESCO) Natural World Heritage Site. This means that the site is of exceptional and universal value that deserves to be protected for the benefit of all humanity. The PPUR is reputed to be the longest navigable underground river in the world. It is one of the New 7 Wonders of Nature.

While classified by the National Government as a 'highly urbanized city' with income classification as 'first-class city' (based on the list of Philippine cities published by the Department of Finance), less than 6% of Puerto Princesa's total land area is urbanized. The City has 35 urban barangays and 31 rural barangays. The total area of the urban barangays is 14,716 hectares or 5.7941% of the total land area of the City. Its rural barangays occupy an aggregate 239, 266 hectares or 94.2059% of the total land area.

Business and economy

The city's data base indicated that Puerto Princesa had 8,994 registered businesses in 2011, compared to 7,993 in 2010. In 2011, newly registered businesses totaled 1,748 compared to 1,344 in the previous year. In Puerto Princesa City's official website (www.puertoprincesa.ph) containing the 2011 listing of businesses, it is indicated that these close to 9,000 registered businesses are engaged in 26,275 different types of business activities. Of these, 3,745 are small enterprise activities inside markets and 3,723 are tricycle operators.

In 2011, the city had 951 tourism-oriented or related establishments, of which:

- 278 are tourist transport operators (land, water and air)
- 181 are tour guides
- 143 are tourist accommodations (hotels, inns, resorts, pension houses).

But the numbers are increasing at a fast pace.

What brings people and business to Puerto Princesa City? The city is well known for its strong stand on environmental conservation. The unique and unspoiled natural formations of the city are, in themselves, strong attractions for many of the world's advocates of biodiversity and environmental preservation.

The local government bans mining, but it vigorously supports tourism, which serves as the anchor for the city's economy. The city's entire advocacy centers around eco-tourism.

The international renown of the city's attractions are bringing in tourists by the droves. In 2012, tourist arrivals are expected to hit the 600,000 mark. According to City Mayor Edward S. Hagedorn in an interview to a news reporter, "Last year's tourist arrivals went to a record breaking 515,148, a 60%

increase from the previous year. We are really happy about the news. Half are Filipino balikbayans and half are foreigners. Imagine from a few flights in 1992, we now have 123 flights a week.”

The biggest challenge to the Puerto Princesa local government will be on how to accommodate its fast growing number of tourists, and service them to their satisfaction. The tourists have been a magnet for business growth -- in various areas of service: accommodations, food and other amenities, land and water transport, cultural and educational tours, souvenirs, entertainment, etc. Business growth in this city poses additional demands on electricity consumption. The demand for souvenirs may also have to be looked into, if it will start to involve more of the resources that Puerto Princesa wishes to safeguard.

The business community in Puerto Princesa is diverse. Shopping establishments range from the huge, 16-hectare Robinsons Mall which opened last May 2012; the much smaller NCCC mall which houses a supermarket, pharmacy and department store, market stalls, and various small shops (on the small and micro scale) some of which are organized in flea markets or scattered in various parts of the city. Accommodations range from luxury, world-class resorts and hotels to rental villas or rooming inns. Restaurants also go the full range, servicing the city’s best produce in resort-type surroundings, to exotic eating places to hole-in-the-wall eateries. Tourist guides also range from professionals to tricycle drivers and boat operators willing to show budget tourists around. Tricycles and motorcycles converted into minivans dominate the land-based transportation in the city.

Simplifying doing business in Puerto Princesa City

Regulatory simplification among local governments occupies an important function in promoting a sound business climate. More so for cities like Puerto Princesa, which has caught the attention not only of the local audience, but also of a global business community. It will be to the city’s advantage to see to it that all businesses rising are formally registered and contribute to economic growth through revenue contributions and the promotion of productive sources of employment, subcontracting arrangements, and expansion of domestic produce.

This Guide will show you how easy it is to start a business in Puerto Princesa City. The local government started its own streamlining process, followed by a Regulatory Simplification Project funded and guided by the International Finance Corporation, in coordination with the Canadian International Development Agency and the Philippine counterpart, the Local Government Academy.

The result is this simple process illustrated in this Guide.

Single form

The local government uses one form, a common single-sheet Application for Business Permit Form. This application form is available for downloading from the LGU’s website (www.puertoprincesa.ph), at the front desk area of the City Hall, and at the Business Tax Division of the City Treasurer’s Office.

Documentary requirements

You can be assured of speedy processing of your Business Registration Application if you have the documents listed below, on hand, upon applying.

Also, make sure that your intended business location is:

- Compliant with Puerto Princesa’s Zoning Ordinance, for that particular business;
- Has a building permit and an occupancy permit (this is for your own and your customers’ safety and protection); exempted here are stalls inside public markets.
- Is up-to-date in its payment of Land Taxes.

Ordinance no. 397, “An Ordinance enacting the Revised Revenue Code of Puerto Princesa,” and its amendments, states the following as documents that should accompany a Mayor’s Permit application:

1. Barangay clearance
2. Location sketch of the business (needed for purposes of the locational clearance)
3. Building and occupancy permits (to be verified by the City Engineering Department against the data base)
4. Tax clearance (to be verified by the Land Tax Division if the applicant’s business location is up to date with its land tax payments)
5. 2 passport pictures of those who will operate the business (if sole proprietorship); picture of the President or General Manager or Chief Executive Officer (if corporation) or head of the partnership (if partnership)
6. If the applicant is a corporation, it should bring its Articles of Incorporation or , if partnership, Articles of Partnership, to prove its capitalization as it is indicated in the Business Registration Application Form. If the applicant is a sole proprietorship, the business name registration with the Department of Trade and Industry.

If the applicant is a resort, then the City government requires, under the Puerto Princesa Tourism Code, that it comply with the following other requirements, which it must present to the City Tourism Office:

1. Department of Tourism (DOT) accreditation certificate
2. Articles of Incorporation or Articles of Partnership or Business Name Registration (whichever is relevant)
3. List of officials and employees with their respective biodata. In addition, alien personnel must also present a valid visa from the Commission on Immigration and Deportation and a Labor Permit from the Department of Labor and Employment.
4. Board Resolution designating the person authorized to sign and transact business with the City Tourism Office.
5. Comprehensive General Liability Insurance for the guest (validity should be co-terminous with the license to operate) in the following amounts:

Class AAA resort	Php 100,000
Class AA resort	Php 50,000
Class A Resort	Php 20,000
6. Lifeguard Philippine National Red Cross Training Certificate (original copy), if the applicant has a swimming pool and/or beach front
7. Schedule of room rates, food and beverages menu and latest brochure
8. Certificate of inspection by the City Tourism Office

Visit the City Tourism Office to know more about these requirements so you can attend to them even before you file your Business Registration application.

4-Steps to Getting your Mayor's Permit: LOW-RISK ESTABLISHMENTS

The following shows the proposed simplified systems designed to reduce the process to 4 steps for all “low-risk establishments.”

1. **Go to the Business Tax Division at the City Treasurer's Office** for input of taxpayer's info/profile including capitalization of business (bring your filled-up Application for Business Permit form with you, along with all documentation requirements).

While you wait at the Business Taxes and Fees Division, your application data will be sent electronically and simultaneously to:

- a. City Planning Office (CPO) – for the issuance of locational clearance

If your business location is compliant with the city's zoning laws, the CPO will send its approval of your clearance application to the Business Taxes and Fees Division. If not compliant, the zoning official will send an advice that the applicant should choose a zoning-compliant location.

- b. City Engineering Office (CEO) – to verify if your intended business location has a building permit and an occupancy permit.

The CEO approves your application electronically if you have such permits. However, if you have not gotten these permits yet, you will receive advice to visit the CEO to secure such permits.

- c. Land Tax Division (LTD), at the City Treasurer's Office – to verify if your land tax payments are up to date

The LTD approves your application electronically if there are no deficiencies in your land tax payments. If there are deficiencies, then it will electronically send advice on how much taxes are still to be paid.

If your application is approved by the CPO, the CEO and the LTD, the Business Tax Division personnel will give you an assessment of fees and taxes to be paid.

If your application receives a disapproval from any or all of the above operating units, then you will receive a print out of what you must do to resolve the problems.

2. **Present the assessment and pay at the Cash and Receipts Division** of the City Treasurer's Office.
3. **Pay Fire Code fees and charges at the City Bureau of Fire Protection cashier at City Hall**, for the Fire Safety Inspection Certificate (FSIC for business purposes) and fire safety seminar fee, and get an Information of Compliance.
4. Presenting the receipt showing taxes and fees paid and the Information of Compliance, **go to the Business Permits and Licensing Office for the release of the Mayor's Permit.**

Post-permit requirements which must be complied with within 30 days:

- Health and sanitary permits from the City Health Office
- FSIC from the Fire Department
- Registrations with the national agencies: SSS, PhilHealth, Pag-Ibig Fund

7-Steps to Getting your Mayor's Permit: HIGH-RISK ESTABLISHMENTS

For tourism-related establishments, before you file your business registration application, do the following:

- Download from Puerto Princesa City website (www.puertoprincesa.ph), the list of requirements for tourism-related establishments. Email City Tourism Office for any clarifications (email address is : puertotourismo@yahoo.com).
- Proceed to complete all these requirements, including executing a memorandum of agreement (MOA) with a physician and securing of Philippine National Red Cross (PNRC)/ or other certified training certificate of lifeguard (for resorts with pools, bodies of water).
- Email City Tourism Office to schedule for inspection.
- Go through inspection requirements with the City Tourism Office.
- If business applicant passes the inspection, the City Tourism Office gives the order of payment for appropriate fees.

The application process:

- 1. Go to the Business Tax Division at the City Treasurer's Office** for input of taxpayer's info/ profile including capitalization of business (bring your filled-up Application for Business Permit form with you, along with all documentation requirements).

While you wait at the Business Taxes and Fees Division, your application data will be sent electronically and simultaneously to:

- a. City Planning Office (CPO) – for the issuance of locational clearance

If your business location is compliant with the city's zoning laws, the CPO will send its approval of your clearance application to the Business Taxes and Fees Division. If not compliant, the zoning official will send an advice that the applicant should choose a zoning-compliant location.

- b. City Engineering Office (CEO) – to verify if your intended business location has a building permit and an occupancy permit.

The CEO approves your application electronically if you have such permits. However, if you have not gotten these permits yet, you will receive advice to visit the CEO to secure such permits.

- c. Land Tax Division (LTD), at the City Treasurer's Office – to verify if your land tax payments are up to date

The LTD approves your application electronically if there are no deficiencies in your land tax payments. If there are deficiencies, then it will electronically send advice on how much taxes are still to be paid.

If your application is approved by the CPO, the CEO and the LTD, the Business Tax Division personnel will give you an assessment of fees and taxes to be paid.

If your application receives a disapproval from any or all of the above operating units, then you will receive a print out of what you must do to resolve the problems.

2. **Present the assessment, including the tourism fees payable, and pay at the Cash and Receipts Division** of the City Treasurer's Office.
3. **Complete all laboratory test requirements for sanitary permit**
4. **Go back to City Health Office for laboratory results** and get the signature of the city health officer on the health card.
5. **Secure sanitary permit from the City Health satellite office at city hall.**
6. **Pay Fire Code fees and charges at the City Bureau of Fire Protection cashier at City Hall**, for the Fire Safety Inspection Certificate (FSIC for business purposes) and fire safety seminar fee, and get an Information of Compliance.
7. Presenting the receipt showing taxes and fees paid and the Information of Compliance, **go to the Business Permits and Licensing Office for the release of the Mayor's Permit.**

Is Your Business Low-risk or High-risk?

- Low-risk businesses are minimally regulated businesses. They do not deal with food or highly combustible materials. Their business activities do not deal with a large number of customers on a regular basis. Their activities pose no significant risks to the environment.

The following constitute low-risk businesses, for purposes of Puerto Princesa's business registration processes:

Accounting services, administrative offices, advertising agency, building and building maintenance, collecting agents, consultancy firms, deep-well drilling, engineering services, general building contractors, general engineering offices, graphic arts firms, interior design firms, law offices, lending investor, liaison offices, merchandise brokerage, nonlife insurance services, plumbing installation services, real estate brokers, real estate developers, retail peddlers, retailers of non-food items, sari-sari stores, and watch repair shops.

- High-risk businesses are businesses highly regulated by local and national laws, including all businesses that serve or sell food, handle combustible materials and/or deal with tourists, and/or a large number of customers.

The following constitute high-risk businesses, for purposes of Puerto Princesa’s business registration processes:

Bars, brewers/distiller of spirits; beverage and food manufacturers; hotels, resorts and other tourist accommodations; restaurants and all businesses serving or handling food and beverages; large retail outlets such as supermarkets, department stores, and malls; factories, cockpits; water refilling stations; tourist-servicing businesses; mining/ extractive businesses; funeral parlors; crematoriums; hospitals; buy and sell of marine products; power plants; private educational institutions; gasoline stations; businesses that handle combustible materials; barbershops and beauty parlors.

Costs of registration

(based on Ordinance no. 397, “An Ordinance enacting the Revised Revenue Code of Puerto Princesa,” and its amendments)

Tax/fee	Amount
Mayor’s Permit	Php 100.00
Business license plate	250.00
Business license sticker	60.00
Zoning fee/ for locational clearance	100.00
Health fee	250.00
Garbage fee (for small stores)	200.00
Garbage fee (for resorts)	1,000.00
Certification fee	200.00
Sanitary inspection fee	300.00
Fire inspection fee (national)	*
Fire safety inspection fee (local government)	75.00
<i>Additional fees for resorts/ hotels:</i>	
Fee for annual inspection fees of structural, sanitary, electrical, mechanical, plumbing fees	Php 940.00
Building and occupancy permit filing fee and verification fee (additional fee if applicant has no building and occupancy permits)	220.00
Tourism fees for new applicant registration:	
• Class AAA resort	5,000.00
• Class AA resort	3,000.00
• Class A resort	1,500.00
• Special interest	1,000.00

* 10% of total regulatory fees (excluding taxes charged by the City Government)

RELEVANT ADDRESSES AND OTHER CONTACT DETAILS / all in Puerto Princesa City, Palawan

PUERTO PRINCESA CITY HALL

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www.puertoprincesacity.gov.ph

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Ms. MA. CORAZON ABAYARI

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Business Tax Division
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New City Hall Building
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Land Tax Division
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Building Official
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Mrs. AUREA PALLAYA
Licensing Officer
Business Permits and Licensing
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Room 204, Second Floor
New City Hall Building
Tel. no. (048) 433-4274

MS. CORAZON B. TIMONES
Tourism Operations Officer
City Tourism Office
Room 111
City Coliseum
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puertotourismo@yahoo.com

INSPECTOR HERALD CASTILLO
City Fire Marshall
San Pedro National Highway
Tel. no. (048) 434 – 2076

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Go Siong Kuan Bldg., Lacao St.
Hotline Telephone Numbers:
(048) 433-7147 to 48
Fax Number: (048) 433-2726
E-mail address:
palawan@sss.gov.ph

PHILHEALTH - PUERTO PRINCESA
CITY SERVICE OFFICE
2/F BCG Building, Lacao Street
Tel. No. (048) 4345103
09178634637

PAG-IBIG FUND
(Home Development Mutual
Fund)
Lustre Building, Rizal Avenue
Tel. No.: (048) 433-5024
Telefax : (048) 433-4522

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