

2019 PwC's National Accounting Teacher Award Grand Winner, Eden Cabrera of DLSU Dasmariñas (seated, left) with PwC Philippines Chairman and Senior Partner Alex Cabrera (seated, right), PwC Philippines Vice Chairman Rick Danao (standing, left), and DLSU Dasmariñas accounting professor Sancho Castro (standing, right).



Client Advisory Letter

Summer discovery ^{p3} | Crazy weather ^{p4} |
Hot start ^{p4} | Resurrection ^{p9}

April 2019

At a glance

Updates, reiterations, and
clarifications on selected topics

Taxes, compliance matters, assessments, and refunds..... 3

Firewall	3
Lowered expectation	3
Bright as the sun	3
Burn remedy	3
Summer discovery	3
Follow the light	4
Waterproof	4
Crazy weather	4
Hot start	4
Fraud finding	4
Laying to rest	4
Green light	5
Here comes the sun	5
All fired up	5
Climate change	5
Extra service	6
Take two	6
Changing form	7
Trained professionals	7
Stretching the mile	8
New digits	8

Latest on regulatory landscape 9

New order	9
Resurrection	9
Motion picture	9
Taxing matter	9
Related parties	9
Relief effort	10
Bought and paid	10
Spousal support	10

Interference	10
Zero impact	10
Security deposit	10
Save the date	11
Alien fears	11
Security breach	11
Plain fiction	11
Health reminders	11
Winds of change	12

Taxes, compliance matters, assessments, and refunds

Firewall

Taxation of income from unregistered activities of a PEZA-registered enterprise

A taxpayer was registered with the PEZA to engage in the establishment of a contact center to provide outsourced customer care services and business process outsourcing services. The Supreme Court ruled that this activity excludes the leasing out of physical plant space, infrastructure, and transmission facilities.

Thus, lease income derived by the PEZA-registered taxpayer is not entitled to the ITH, but instead subject to the regular corporate income tax. Consequently, the lessee is required to subject its lease payments to the PEZA-registered taxpayer to creditable withholding tax.

(G.R. No. 210528, promulgated 28 November 2018)

Lowered expectation

Resolving differences between CWT per certificates and CWT per ITR

In a claim for refund or issuance of TCC for excess and unutilized CWT, the CTA ruled that if the amount of CWT per CWT certificates (BIR Form No. 2307) differs from the amount of CWT per ITR breakdown, the lesser amount will be considered.

(CTA Case No. 9320, promulgated 12 April 2019)

Glossary

BIR – Bureau of Internal Revenue

CTA – Court of Tax Appeals

CWT – Creditable Withholding Tax

ITH – Income Tax Holiday

ITR – Income Tax Return

NOLCO – Net Operating Loss Carry Over

PAN – Preliminary Assessment Notice

PEZA – Philippine Economic Zone Authority

RE – Renewable Energy

TCC – Tax Clearance Certificate

VAT – Value-Added Tax

Bright as the sun

Additional requirements for NOLCO deduction

In order for a taxpayer to validly deduct NOLCO, the following should be clearly established:

1. The NOLCO must have been shown as a separate item in the Profit and Loss Statement/Income Statement; and
2. The NOLCO must be fully explained in the Notes to the Financial Statements.

(CTA Case No. 9395, promulgated 10 April 2019)

Burn remedy

RE developers cannot claim a refund of or issuance of TCC for input VAT

Since RE developers are entitled to the VAT zero rate on their local purchases, their suppliers should not shift or pass on VAT to them. In other words, RE developers should not pay input VAT because their local purchases are already subject to the VAT zero rate.

Accordingly, RE developers, who paid input VAT on their local purchases, are not entitled to a refund of or issuance of TCC for such input VAT. Their proper recourse is to claim a reimbursement thereof from the local suppliers who shifted or passed on the VAT.

(CTA EB No. 1761, promulgated 8 April 2019)

Summer discovery

How to compute the ten-year prescriptive period to collect

In the case of failure to file a return, the BIR has the right to collect the tax within ten (10) years after the discovery of the omission or failure. In a tax assessment case, it was ruled that the date of issuance of the PAN shall be considered as the date of discovery of the omission or failure.

(CTA Case No. 9396, promulgated 8 April 2019)

Follow the light

When tax should follow accounting

In the AFS of a taxpayer, operating expenses were allocated to taxable and exempt activities based on the percentage-of-completion method. In the ITR, however, a different allocation method was used resulting in a higher amount of operating expenses attributable to taxable activities.

The CTA ruled that the method used in the AFS should have been the same method used in computing operating expenses in the ITR. Since there are no specific tax rules or regulations which provide for the method of allocating expenses between exempt and taxable sales, the taxpayer should adopt the accounting method regularly employed in keeping its books.

(CTA Case No. 9396, promulgated 8 April 2019)

Waterproof

How to prove inclusion of income in the VAT returns

According to the CTA, the best evidence to verify the breakdown of sales reported in the VAT returns is the Summary List of Sales, which is a prescribed attachment to a VAT return. An extract of the GL accounts is insufficient as it merely provides a summary of transactions but does not translate to a declaration in the VAT returns.

(CTA Case No. 9396, promulgated 8 April 2019)

Crazy weather

Failure to make or file a return due to insanity

There is no willful failure to make or file a return when such failure was due to negligence caused by mental illness which was, in turn, caused by the destruction and devastation of the taxpayer's business by a typhoon. In exonerating the taxpayer from criminal liability, the CTA applied the exempting circumstance of insanity under the Revised Penal Code.

(CTA Crim. Case Nos. 0-627 and O-628, promulgated 3 April 2019)

Hot start

When the prescriptive period for collection commences

The five-year period to collect deficiency taxes assessed starts to run from the date when the BIR mails, releases or sends the assessment notice to the taxpayer.

(CTA Case No. 9550, promulgated 25 March 2019)

Fraud finding

Application of the ten-year prescriptive period to assess

The application of the ten-year period to assess deficiency taxes is justified when:

1. the taxpayer failed to overcome the *prima facie* presumption of filing a false or fraudulent return, and
2. the BIR imposed a 50% surcharge in the PAN and FAN, which proves that the allegation of fraud was not a mere afterthought.

(CTA EB No. 1672 and 1675, promulgated 13 March 2019)

Laying to rest

Draft implementing rules and regulations of the estate tax amnesty

The draft Revenue Regulations implementing the estate tax amnesty under the Tax Amnesty Act¹ may be accessed at www.bir.gov.ph. Interested parties may send their comments to taxamnesty@bir.gov.ph.

(BIR Advisory)

Glossary

AFS – Audited Financial Statement
BIR – Bureau of Internal Revenue
CTA – Court of Tax Appeals
FAN – Final Assessment Notice
GL – General Ledger
ITR – Income Tax Return
PAN – Preliminary Assessment Notice
VAT – Value-Added Tax

¹ Republic Act No. 11213.

Green light

Implementing regulations of the Philippine Green Jobs Act of 2016

The BIR promulgated regulations to implement the Philippine Green Jobs Act of 2016.² The regulations provide for, among others, qualified business enterprises, tax incentives, procedures for the availment of tax incentives, and date and place of filing returns.

The regulations took effect on 1 May 2019.

(Revenue Regulations No. 5-2019, published 16 April 2019)

Here comes the sun

Implementing rules and regulations for the tax amnesty on delinquencies

The BIR issued the IRR for the processing of applications for tax amnesty on delinquencies under the Tax Amnesty Act.³ The salient features of the IRR include the following:

- Delinquent accounts include delinquent withholding tax liabilities arising from non-withholding of tax.
- Delinquent accounts with applications for compromise settlement that either were denied by or are still pending with the National or Regional Evaluation Board are covered by the amnesty.
- A delinquent account/assessment consisting of only unpaid penalties due to late filing or payment and no basic taxes assessed are covered by the amnesty without any payment due.
- The tax amnesty rate of one hundred percent (100%) applies to all cases of non-remittance of withholding taxes.
- Documentary requirements, place of filing and step-by-step procedures
- Issuance of Authority to Cancel Assessment and lifting of the validity of issued notices and warrants

Glossary

BIR – Bureau of Internal Revenue

CAR – Certificate Authorizing Registration

eCAR – Electronic Certificate Authorizing Registration

IRR – Implementing Rules and Regulations

The tax amnesty on tax delinquencies may be availed within one (1) year from 24 April 2019, the date of effectivity of the IRR.

(Revenue Regulations No. 4-2019, published 9 April 2019)

All fired up

Mandating the Land Registration Authority to use the eCAR System

The BIR issued regulations to mandate the Land Registration Authority (LRA) to use the eCAR System with barcode developed and owned by the BIR. In this relation, the systems of the BIR and LRA are already linked to make use of the LRA-BIR eCAR Verification System.

Here are the salient features of the regulations:

- One eCAR shall be issued per title or per tax declaration
- A separate eCAR shall be issued for all personal properties
- Validity period of five (5) years counted from the date of issuance
- Expiration and replacement of manually issued CARs
- Procedures of the Registry of Deeds, Provincial, City or Municipal Assessors in the registration of new ownership of real properties

The Provincial, City or Municipal Assessors, banks and other issuers of stock certificates, bonds and other similar paper securities are required to accept only the eCAR issued by the BIR before applying any change in ownership.

The regulations took effect on 16 April 2019.

(Revenue Regulations No. 3-2019, published 1 April 2019)

Climate change

Revised guidelines and requirements for VAT refund claims

The BIR issued an RMC for revised guidelines and documentary requirements in the processing and grant of VAT refund claims under Section 112 of the Tax

² Republic Act No. 10771.

³ Republic Act No. 11213.

Code, except claims processed under the Legal Service. This amends RMC Nos. 5-2011 and 17-2018.

The general policies include the following:

- The 90-day period to process and grant refund claims starts from the date of submission of official receipts or invoices and other supporting documents up to the release of payment for the approved refund amount.
- The applications should be received by the following BIR offices:

Direct exporters	VAT Credit Audit Division
Taxpayers engaged in other VAT zero-rated sales	RDO or LT Audit Division having jurisdiction over the claimant
Taxpayers with cancelled VAT registrations	RDO or LT Audit Division having jurisdiction over the claimant

- The claim for refund by a VAT-registered person whose registration has been cancelled should be filed within two (2) years from the date of issuance of the tax clearance by the BIR.
- Upon filing of the claim, the claimant should have no outstanding tax liabilities as defined in RMO No. 11-2014. Any outstanding VAT liability with the BIR may be deducted from the approved refund on the BIR portion.
- The claimant should ensure the completeness and authenticity of the documentary requirements upon filing of the VAT refund application.
- The person signing and filing the application, and executing affidavits or other supporting documents

Glossary

BIR – Bureau of Internal Revenue
CRM – Cash Register Machine
eFPS – Electronic Filing and Payment System
ISO – International Organization for Standardization
LT – Large Taxpayers
POS – Point of Sale
PTU – Permit to Use
RDO – Revenue District Office
RMC – Revenue Memorandum Circular
RMO – Revenue Memorandum Order
SPA – Special Power of Attorney
SPM – Special Purpose Machine
VAT – Value-Added Tax

should be duly authorized by a notarized Secretary's Certificate or SPA to be presented to the BIR together with a valid government-issued identification card.

The RMC also provides detailed documentary requirements to be submitted in support of VAT refund claims.

(Revenue Memorandum Circular No. 47-2019, issued 16 April 2019)

Extra service

BIR service delivery channels and initiatives

The BIR presented its service delivery channel strategies together with the following service delivery channels and initiatives:

- Self-service facilities (e.g., BIR Website, eFPS, eBIRForms, etc.)
- Tax seminars, briefings, dialogues and consultations
- Customer Assistance Division (formerly, BIR Contact Center)
- Social media accounts in Facebook, Twitter, YouTube and Google+
- Printed tax information materials
- Freedom of Information Manual
- Taxpayer Service Counters and eLounges
- Single Window Approach and New Business Registrants Counter
- Fast Lane for One-Time Transactions
- BIR Citizen's Charter
- ISO Certification for Business Registration Process

(Revenue Memorandum Circular No. 44-2019, issued 11 April 2019)

Take two

Re-application for registration of sales machines

In light of technical problems in the eAccReg System which affected transactions from 3 January to 31 January, the BIR is requiring the re-application for registration of all CRMs, POS machines, SPMs and other sales machines with PTUs issued for the month of January 2019. The following are covered:

1. All taxpayers with applications filed from 3 January to 31 January
2. Taxpayer-applicants with issued PTUs within 3 January to 31 January, whether manually or electronically. These PTUs must be surrendered to

the relevant RDO within fifteen (15) days from receipt/printing.

3. Taxpayers with PTUs issued prior to 10 April 2019 that reflect an effective date between 3 January to 31 January

Concerned accredited suppliers, pseudo-suppliers and taxpayer-users should re-submit their applications via the eAccReg System on or before 31 May 2019. Failure to comply will be tantamount to non-registration subject to penalties.

All covered CRMs, POS machines, SPMs and other sales machines shall not be reset or adjusted to zero. The details recorded on the machines as reflected in the Z-reading Report as of the day immediately preceding the re-application date shall be declared during the PTU application.

(Revenue Memorandum Circular Nos. 49-2019, issued 29 April 2019 and 42-2019, issued 10 April 2019)

Changing form

Prescribing the new BIR Form No. 1701-MX

There is a new BIR Form No. 1702-MX which required to be used by non-individuals with mixed income subject to multiple income tax treatments in paying their income tax for 2018 due on or before 15 April 2019.

It may be downloaded from www.bir.gov.ph. However, it is not yet available in the eBIRForms and eFPS. Thus, eBIRForms and eFPS filers should use the old version available in the eBIRForms and eFPS, respectively. Non-individual taxpayers, including GPPs who elected the OSD, should use the manual returns.

(Revenue Memorandum Circular No. 41-2019, issued 2 April 2019)

Glossary

BIR – Bureau of Internal Revenue
CPD – Continuing Professional Education
CRM – Cash Register Machine
eFPS – Electronic Filing and Payment System
GPP – General Professional Partnership
IRR – Implementing Rules and Regulation
OSD – Optional Standard Deduction
POS – Point of Sale
PRC – Professional Regulation Commission
PTU – Permit to Use
RDO – Revenue District Office
SPM – Special Purpose Machine

Trained professionals

Amending the IRR of the Continuing Professional Development Act of 2016

PRC Resolution No. 2019-1146 introduced amendments on provisions of the IRR of the Continuing Professional Development Act of 2016⁴ concerning the following:

- Professional Identification Card
- Accreditation of CPD Programs
- CPD as a Mandatory Requirement in the Renewal of Professional License and Accreditation System
- Recognition of Credit Units
- Presumptive Approval
- Supplementary Provisions

(Revenue Memorandum Circular No. 40-2019, issued 1 April 2019)

⁴ Republic Act No. 10912.

Stretching the mile

Further extending the deadline for processing VAT refund/credit claims

The deadline for all concerned BIR offices to act on all VAT refund/credit claims that were filed before the effectivity of RMC No. 54-2014 has been extended from 29 March 2019 to 31 July 2019.

BIR officers and officials who fail to comply with this extended deadline shall be issued a "Show-Cause Order" and may be subjected to appropriate sanctions.

(Revenue Memorandum Circular No. 38-2019, issued 27 March 2019)

New digits

Modification of certain ATCs

The following ATCs were modified:

Existing (per ATC Handbook)			Modified/ New
ATC	Description	Tax Rate	Tax Rate
WI650 WC650	MERALCO refund to customers with active contracts 1. Individual 2. Corporate	25%	15%
WI651 WC651	MERALCO refund to customers with terminated contracts 1. Individual 2. Corporate	32%	15%
WI661 WC661	Interest on refund of meter deposit whether paid directly or applied against billings of Non-Residential customers whose monthly electricity consumption exceeds 200 kwh as classified by MERALCO 1. Individual 2. Corporate	10%	15%
WI663 WC663	Interest on refund of meter deposit whether paid directly or applied against billings of Non-Residential customers whose monthly electricity consumption exceeds 200 kwh as classified by other DUs 1. Individual 2. Corporate	20%	15%
WI710 WC710	Interest income derived from any other debt instruments not within the coverage of deposit substitutes and RR No. 14-2012 1. Individual 2. Corporate	20%	15%

(Revenue Memorandum Order No. 16-2019, issued 11 April 2019)

Glossary

ATC – Alphanumeric Tax Codes
BIR – Bureau of Internal Revenue
DU – Distribution Utilities
MERALCO – Manila Electric Company
RMC – Revenue Memorandum Circular
RR – Revenue Regulations
VAT – Value-Added Tax

Latest on regulatory landscape

New order

Exercise of customs jurisdiction and control

The CoC issued a twenty-four paged administrative order which aims to:

1. Clarify the extent and limits of the exercise of customs jurisdiction and police authority;
2. Implement a clear and effective system in the exercise of customs jurisdictional control;
3. Establish transparent procedures in the deputization of member of NLEAs and regulate their exercise of police authority; and
4. Provide conditions for the exercise of police authority by Customs Officers or deputized officers in the apprehension of smuggled or prohibited goods.

(Customs Administrative Order No. 3-2019, approved 8 April 2019)

Resurrection

Proposed SEC guidelines on revival of expired corporations

The SEC is inviting all interested parties, market participants and the investing public to submit their views, comments and inputs to the draft SEC Memorandum Circular containing proposed Guidelines on the Revival of Expired Corporations.

The views, comments and inputs may be electronically sent to Atty. Fermo B. Avila through fbavila@sec.gov.ph on or before 26 April 2019.

(SEC Notice, posted on 8 April 2019)

Glossary

CoC – Commissioner of Customs
DST – Documentary Stamp Tax
NLEA – National Law Enforcement Agencies
SEC – Securities and Exchange Commission
TRAIN – Tax Reform for Acceleration and Inclusion

Motion picture

Resolving Motions on Orders/Decrees of Abandonment by the District Collector

The CoC issued guidelines in resolving Motions to Recall/Lift/Reconsider/Set Aside any Order/Decree of Abandonment issued by the District Collector. The guidelines provide for the procedures, deadlines and requirements pertinent to the resolution of the above Motions and decisions of the Customs Collector.

(Customs Memorandum Order No. 17-2019, signed 15 April 2019)

Taxing matter

DST collection on all SEC certificates

In compliance with Section 188 of the TRAIN Act⁵, the SEC shall be collecting a DST of PHP30.00 for every certificate it will issue starting 22 April 2019.

(SEC Notice, issued 8 April 2019)

Related parties

Issuance of rules on material related party transactions

The SEC issued the Rules on Material Related Party Transactions for Publicly Listed Companies. These Rules focus and regulate only material related party transactions (RPTs) amounting to ten percent (10%) or higher of total assets.

The Rules provide for the following:

- Mandatory compliance by all publicly-listed companies
- Duties and responsibilities of the Board of Directors and senior management
- Material RPT policy
- Disclosure and regulatory reporting
- Penalties and abusive material RPTs

(SEC Memorandum Circular NO. 10-2019 dated 25 April 2019)

⁵ Republic Act No. 10963.

Relief effort

Deferring the implementation of PIC Q&A 2019-03 by sugar millers

The SEC decided to provide a one-year relief to the Philippine sugar industry by deferring the implementation of PIC Q&A 2019-03 on the milling/output sharing arrangements of sugar millers and their planters.

Sugar millers may opt either to avail of the deferral, or to fully comply with the requirements of PIC Q&A 2019-03. Those who opt for the deferral are required to disclose the following in their financial statements:

1. Accounting policies applied;
2. Discussion of the deferral of the implementation issues; and
3. Qualitative discussion of the impact on the financial statements had the PIC Q&A been adopted.

If the deferral option results in an accounting policy change, the latter should be accounted for under PAS 8.

(SEC Memorandum Circular NO. 6-2019 dated 4 April 2019)

Bought and paid

What consists paid-in capital

For purposes of determining compliance with minimum paid-in capital of US\$200,000 of domestic market enterprises (that would allow one hundred percent (100%) foreign ownership), “paid-in capital” refers to that portion of the authorized capital stock that has been both subscribed and paid.

(SEC-OGC Opinion No. 19-10, dated 13 March 2019)

Spousal support

Assignment of shares between husband and wife

Under the regime of absolute community, husband and wife may assign shares of stock to each other if such shares of stock are among the excluded properties under Section 92 of the Family Code. It is the ministerial duty of the corporate secretary to register the assignment in the Stock and Transfer Book except when

the transferee's title has no *prima facie* validity or is uncertain.

(SEC-OGC Opinion No. 19-09, dated 19 March 2019)

Interference

When the creation of APIC requires SEC action

Generally, the creation of APIC is a matter within the business judgment of the corporation and does not require prior SEC approval. However, if the APIC is in the form of property, it is subject to the SEC's confirmation of valuation pursuant to Section 61 of the Revised Corporation Code.

Thus, if aircraft will be contributed to create APIC, the corporation should file an Application for Confirmation of Valuation accompanied by a favorable endorsement of airworthiness from the CAB and proof of transfer.

(SEC-OGC Opinion No. 19-14, dated 28 March 2019)

Zero impact

Effect of APIC creation on foreign ownership restrictions

APIC is considered a premium paid over and above the price of shares wherein the amount paid for the shares is increased but does not involve further issuance of shares. Hence, APIC infused by a foreign shareholder neither increases foreign ownership nor affects Filipino ownership of a corporation.

(SEC-OGC Opinion No. 19-14, dated 28 March 2019)

Security deposit

Form of securities deposits required from resident foreign corporations

A foreign corporation licensed to do business in the Philippines is required to deposit securities with the SEC. Since the Revised Corporation Code and MC No. 2-2012 does not differentiate between peso and foreign-currency denominated government debt instruments or securities, a foreign corporation may deposit securities in the form of USD-denominated bonds provided they are issued by the Philippine government and compliant with MC No. 2-2012.

(SEC-OGC Opinion No. 19-13, dated 25 March 2019)

Glossary

APIC – Additional Paid-In Capital
CAB – Civil Aeronautics Board
MC – Memorandum Circular
PAS – Philippine Accounting Standards
PIC – Philippine Interpretations Committee
SEC – Securities and Exchange Commission

Save the date

Stipulating the effective date of merger

The Corporation Code provides that a merger is effective only upon issuance of a Certificate of Merger by the SEC. Notwithstanding, the SEC confirmed that the parties may stipulate a different effective date of the merger. In justification, it mentioned the following:

- Previous SEC opinions whereby the SEC accepted similar stipulations based on public policy considerations
- Reasonable or liberal construction of the Corporation Code which will best execute its purpose even though such construction is not within its strict literal interpretation
- The Supreme Court ruling that the spirit, rather than the letter of the law, determines its construction

However, the applicants must confirm that the stipulated effective date of merger will not adversely affect any third party or cause a decrease in the taxes due from the corporations involved.

(SEC-OGC Opinion No. 19-08, dated 13 March 2019)

Alien fears

Foreign participation in the architecture profession

Since RA No. 9266 does not expressly allow foreign participation in the practice of architecture, foreigners are not allowed to participate in the management, operation, administration or control of a corporation organized for the practice of architecture, whether as officers or employees.

RA No. 9266 requires that at least seventy-five percent (75%) of the owners, shareholders, members, incorporators, directors and executive officers, as the case may be, should be registered and licensed architects (RLAs). This means that 25% of these persons, as the case may be, need not be RLAs as they could be allied technical professionals. However, this

does not necessarily mean that the latter may be composed of foreigners.

(SEC-OGC Opinion No. 19-07, dated 13 March 2019)

Security breach

Nationality restriction for corporations engaged in monitoring and response

Monitoring and response services fall under the definition of “Private Security Services” under the IRR of RA No. 5487 which requires a corporation engaged in such activities to be one hundred percent (100%) Filipino-owned.

(SEC-OGC Opinion No. 19-05, dated 13 March 2019)

Plain fiction

Non-availability of unrealized foreign exchange gains for dividend declaration

For purposes of dividend declaration, surplus profits or income must be *bona fide* income founded upon actual earnings or profits. Thus, unrealized foreign exchange gains, except those attributable to cash and cash equivalents, shall not be available for dividend declaration.

(SEC-OGC Opinion No. 19-05, dated 13 March 2019)

Health reminders

Required attachments to the 2018 AFS of HMOs

The following guidelines have been issued in relation to the submission of the 2018 AFS by HMOs:

- All required documents and schedules in Annex “A” of IC Circular Letter No. 2019-15 should be submitted to the HMO Division.
- Item 8 – Detailed Schedules of said Annex “A” should be soft-bound and the cover should be green.
- The exact formats, columnar headings and footnote instructions found in every page of the blank forms of the Detailed Schedules should be strictly observed.
- Legal size bond paper using Times New Roman font size 12 at one hundred percent (100%) should be used.
- All other documents listed in Annex “A” should be submitted in a separate folder (for those required in hard copy) and in a flash drive (for those required in soft copy).

Glossary

AFS – Audited Financial Statement
HMO – Health Maintenance Organization
IC – Insurance Commission
IRR – Implementing Rules and Regulations
RA – Republic Act
RLA – Registered and Licensed Architects
SEC – Securities and Exchange Commission

The submission of the above requirements is subject to a filing fee of Twenty Thousand Pesos (PHP20,000) plus an LRF fee of Two Hundred Pesos (PHP200). Late submission will be subjected to a penalty of Five Thousand Pesos (PHP5,000) per day of delay. Submissions that are not in accordance with the pro forma template, that have missing information or that have incomplete attachments will not be accepted.

(IC Circular Letter No. 2019-15, dated 22 April 2019)

Winds of change

Amendments to licensing requirements of online insurance aggregators

The licensing requirements for applications for new or renewal of license to act as online insurance aggregators have been amended. The requirements include the following:

1. Letter of intent to engage in online aggregation of insurance products
2. Certificate of Registration with certain government agencies
3. Certified copy of Articles of Incorporation/Partnership/Cooperation and By-Laws
4. Copy of business model and system framework/module of operation
5. Copy of aggregation agreement with insurance companies

(IC Circular Letter No. 2019-14, dated 12 April 2019)



Glossary

LRF – Legal Research Fee

Meet us

PwC PHL names first-ever National Accounting Teacher Award winner



Isla Lipana & Co., the Philippine member firm of the PwC global network (PwC Philippines), named the first winner and two runners-up of the PwC National Accounting Teacher Award (PwC's NATA) during the 27th Accounting Teachers Conference on 29 April 2019 at Mallberry Suites Business Hotel, Cagayan de Oro City.

PwC Philippines, in cooperation with the National Association of CPAs in Education (nACPAE), created PwC's NATA, a nationwide search for the accounting teacher who is a distinguished model of excellence and who has helped uplift the standards of the teaching profession.

The grand winner, as announced during the conference organized by nACPAE, is Eden Cabrera of De La Salle University-Dasmariñas (DLSU-D). The runners-up are Lope Dapun (University of Southern Mindanao) and Joselito Florendo (University of the Philippines Diliman). The finalists are Angelito Descalzo (University of the East, Manila), Mark Francis Ng (Bicol University), and Christopher German (University of Santo Tomas, Manila).

More than 70 colleges and universities around the country were requested to nominate their teachers, and eventually, six emerged as finalists. The rigid and comprehensive selection started from nomination and ended with PwC's vetting process, where actual visits to schools were made to observe the nominees, and to

interview their peers, superiors, and students. Panel interviews of the finalists were conducted by judges, who come from the top management of PwC Philippines, nACPAE, the Board of Accountancy, and iAcademy.



Grand winner Eden Cabrera won PHP100,000, while special prizes were given to her school DLSU-D (PHP75,000) and her nominator (PHP25,000). Each of the two runners-up won PHP50,000, with special prizes of PHP35,000 for each of their schools and PHP15,000 for each of their nominators.



"We're paying tribute to a special group of accountants that turned their backs to the twin attractions of profit and passion to tread a path of purpose – a deep sense of purpose and a richness that comes from helping the young find their footing," said Alex Cabrera, a CPA-lawyer and chairman and senior partner of Isla Lipana & Co. "We hope to elevate the standards of the teaching profession even as we make a difference in the lives of accounting teachers through PwC's NATA."

PwC PH's NextGen Club successfully launched



PwC Philippines is the latest in the PwC network to successfully launch its local PwC NextGen Club this year. Chairman and Senior Partner Alex Cabrera formally welcomed 16 next-generation leaders of Philippine companies as its pioneer club members on 23 April 2018 at the Tower Club, Philamlife Tower, Makati City.

Introductions started with PwC Philippines partners: Consulting Managing Principal Benjamin Azada, Deals and Corporate Finance Jade Divinagracia, Assurance Managing Partner Ric Danao, Tax Partner Carlos Carado II, and Assurance Partner Aldie Garcia. The next-generation leaders then briefly introduced themselves, one by one. Benj Azada then gave a talk on Essential Eight Technologies, followed by one of Forbes' "30 under 30", FC Group co-founder Zahra Zanjani. She shared her story on how she started her business, CUBO Modular.

Deals and CF Senior Manager Trissy Rogacion facilitated the Essential 8 workshop over dinner. The workshop teams presented their technological solutions before Alex closed the program, but the lively interactions continued until late evening.

The PwC NextGen Club is PwC's international community of more than 2,500 young entrepreneurs and successors in family business from 26 different countries and regions. More activities are in the pipeline, with more members expected to join in the coming months.

Talk to us

For further discussion on the contents of this issue of the **Client Advisory Letter**, please contact any of our partners.

For tax and related regulatory matters



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