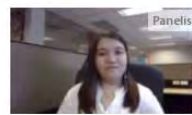


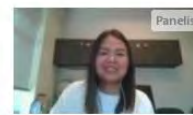
Noelie Tagle (Host)



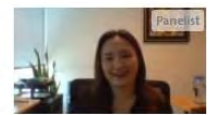
Ceejay Urbano



Kathrine Joy Capales



Maria Jonas Yap



Roselle Caraig

Reinventing the future

Client Advisory Letter

**Spontaneous conversion ^{p6} |
Stamp of receipt ^{p7} | Making SENS ^{p10}**

May 2020

At a glance

Updates, reiterations, and
clarifications on selected topics

Taxes, compliance matters, assessments, and refunds..... 4

Alternative proof.....	4
Compromising position.....	4
Upstream merger	4
Tax deadlines	5
Sporting chance	5
Spontaneous conversion.....	6
Payment facility.....	6
Delinquente.....	6
Overlooking jurisdiction	7
Stamp of receipt.....	7
Game ready	8
Devolving power	8
Gaining acceptance	8
Bank instructions.....	8

Latest on regulatory landscape..... 10

Making SENS	10
Aftermath	10
SEC filings	12
Saving grace.....	12
Floor plan.....	12
Tolling the period	13
Procedural matters.....	13
Charge to employer	15
Averting dismissal	15
On probation	16
Controlled environment.....	16
BOI filings	16
Dividend requirements	18
IFRS 17.....	19
Auditor accreditation	19

Electronic means	19
DIGICUR deadline	19
AMLC advisories	20
Rural development.....	20
Going rates	20

IASB issues IFRS 16 COVID-19 rent concessions amendment

At a glance

As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

What is the issue?

Rent concessions have been, or are expected to be, provided to lessees as a result of the COVID-19 pandemic. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments for a period of time, sometimes followed by increased rent payments in future periods. IFRS 16 contains requirements that apply to such rent concessions. The IASB has noted, however, that applying those requirements to a potentially large volume of rent concessions related to COVID-19 could be complex – particularly in the light of the many other challenges that stakeholders face during the pandemic.

As a result, the IASB has provided lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as a variable lease payment.

The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

Lessees that apply the exemption will need to disclose that fact, as well as the amount recognised in profit or loss arising from COVID-19-related rent concessions. If a lessee chooses to apply the practical expedient to a lease, it would apply the practical expedient consistently to all lease contracts with similar characteristics and in similar circumstances. The amendment is to be applied retrospectively in accordance with IAS 8, but lessees are not required to restate prior period figures or to provide the disclosure under paragraph 28(f) of IAS 8.

What is the impact and for whom?

Given the pervasiveness of the pandemic and the measures taken by many governments on social distancing, it is likely that many lessees will have been granted a rent concession of some form, and so these amendments would be applicable. The amendments, however, do not make any changes to lessor accounting.

When does it apply?

The amendments are mandatory for annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including in interim or year-end financial statements not yet authorized for issue at 28 May 2020, to permit application of the relief as soon as possible, subject to any endorsement process.

Taxes, compliance matters, assessments, and refunds

Alternative proof

Registration payment forms constitute evidence of VAT registration

One of the requisites of a claim for refund of unutilized input VAT is that the taxpayer-claimant must be VAT-registered. Although the CTA denied the admission of the taxpayer's BIR Certificate of Registration (for failure to present the original), the CTA ruled that the BIR Registration Payment Forms, standing alone, may be considered as evidence of VAT registration. It reasoned that since such forms are to the effect that what are being paid are annual VAT registration fees, the same will not be paid if the payor is not a VAT-registered person.

(CTA Case No. 9722, promulgated 12 March 2020)

Compromising position

When compromise penalty amount differs from that prescribed in RMO No. 19-2007

Under Revenue Memorandum (RMO) No. 19-2007, revenue officers are generally required to apply the amounts in the Revised Schedule of Penalties ("Schedule") in Annex "A" thereof. The compromise penalty amounts can differ from those specified in the Schedule but only when duly approved by the BIR.

In this relation, the BIR may accept a compromise offer for a different amount provided that:

1. When the compromise offer is lower than the prescribed amount, the approval of the CIR or concerned Deputy Commissioner/ Assistant Commissioner/ Regional Director is required; and
2. When the compromise offer is higher than the prescribed amount, the offer must be in writing and if there is an Apprehension Slip, the form provided in Annex "B" of RMO No. 19-2007 shall be used.

Glossary

BIR – Bureau of Internal Revenue

CTA – Court of Tax Appeals

VAT – Value-Added Tax

All compromise offers must be in writing either in the form of Annex "B" of RMO No. 19-2007 or, if not applicable, the compromise agreement regarding penalties must be signed by both the taxpayer and the CIR or concerned Deputy Commissioner/ Assistant Commissioner/ Regional Director.

Therefore, without a written offer from the taxpayer, the imposition of compromise penalties should be in accordance with Annex "A" of RMO No. 19-2007. Accordingly, any amount paid in excess of the prescribed compromise penalties may be sought for refund.

Note: RMO No. 19-2007 was updated by RMO No. 7-2015 (Revised Consolidated Schedule of Compromise Penalties) which omitted the guideline providing for Annex "B" of RMO No. 19-2007 in cases where Apprehension Slips were issued.

(CTA EB No. 1947, promulgated 9 March 2020)

Upstream merger

The transfer of assets in an upstream merger is not subject to donor's tax

In a merger between a parent company and its wholly-owned subsidiary (with the parent as the surviving company), the Commissioner of Internal Revenue ruled that the transfer of assets from the absorbed company to the surviving company is subject to donor's tax.

However, the ruling was overruled by the Department of Finance (DOF) upon appeal. According to the DOF, said transfer of assets from a subsidiary to its parent company is not subject to donor's tax for the following reasons:

- there is no consideration of gratuity because there is no intention to perform an act of liberality on the part of the absorbed company; and
- the transfer of assets from a wholly-owned subsidiary to its parent company, having the effect of a taxable liquidation, negates the position that it is a donation.

(DOF Opinion No. 12-2018, dated 27 November 2018)

Tax deadlines

Amendments regarding the extended due dates for tax filings and payments

The BIR further amended Revenue Regulations (RR) No. 10-2020 (as amended by RR No. 11-2020) as follows:

- The term “quarantine” shall mean any announcement by the National Government resulting in limited operations and mobility, including, but not limited to, community quarantine, enhanced community quarantine and modified enhanced community quarantine.
- Section 3 of RR No. 10-2020 (as amended by RR No. 11-2020) has been repealed. This means that regardless of another quarantine extension or modification, the defined extended due dates under Section 2 of RR No. 10-2020 (as amended by RR No. 11-2020) shall remain effect and shall not be further extended.
- Taxpayers who filed tax returns before the extended due dates may amend and pay additional taxes any time on or before the extended due dates without incurring corresponding penalties. On the other hand, tax overpayments resulting from amended tax returns may be carried forward as tax credits against the same tax type or may be applied for refund.

(Revenue Regulations No. 12-2020, published 22 May 2020)

Sporting chance

Statutory sales discount in favor of National Athletes and Coaches

The BIR has promulgated the implementing rules and regulations (IRR) for the tax privileges granted by Section 4 of Republic Act No. 10699 to business establishments giving sales discounts and incentives to National Athletes and Coaches.

The IRR provides for the following, among others:

- Business establishments shall grant sales discounts and incentives only to qualified National Athletes and Coaches who present Philippine National Sports Team Identification Cards (PNSTM IDs) and Booklets.

Glossary

BIR – Bureau of Internal Revenue
OSD – Optional Standard Deduction
VAT – Value-Added Tax

- The sales discount shall be twenty percent (20%) of the sales amount exclusive of VAT with respect to the following:
 - Transportation services such as domestic air and sea transportation, and national land transportation
 - Hotel resorts and other similar lodging establishments
 - Restaurants
 - Recreation centers
 - Medicine and drug purchases
 - Sports equipment purchase
 - Admission fees in places of amusement
- Manner of computing the sales discount
- Subject to the following conditions, business establishments may deduct the sales discounts from gross income for income tax purposes:
 - The deduction should be claimed for the same taxable year that the sales discount was granted, and the names of the National Athletes or Coaches and corresponding PNSTM ID Numbers should be reflected in the record of sales.
 - For VAT taxpayers, the total amount of the claimed deduction (net of VAT) shall be included in gross receipts for VAT purposes. For percentage tax taxpayers, the sales discount shall be included in the tax base for computing the percentage tax.
 - Only sales discounts on gross sales exclusively used, consumed or enjoyed by the National Athlete or Coach shall be deductible.
 - The gross selling price and the sales discount should be separately indicated in the official receipt or sales invoice.
 - If the business establishment availed of the OSD or the eight percent (8%) income tax rate, the sales discount cannot be claimed as a deduction from gross income.
 - Affected business establishments are required to keep separate and accurate records of sales which should include the name of National Athletes and/or Coaches, their PNSTM ID Numbers, gross sales/receipts, sales discount amounts, transaction dates and invoice number.

- The sales discount cannot be claimed if the National Athlete or Coach claims a higher promotional discount as may be granted by the business establishment or laws, or in combination with other discount programs. Hence, National Athletes and Coaches who are also Senior Citizens or Persons With Disability can only claim a single 20% discount.

(Revenue Regulations No. 13-2020, published 29 May 2020)

Spontaneous conversion

Automatic conversion of unutilized tax credit certificates

The Secretary of Finance amended Revenue Regulations (RR) No. 5-2000 which governs the manner of issuing tax credit certificates (TCCs) and the conditions for their use, revalidation and transfer.

The amendment provides that any TCC, which remains unutilized after more than one year, shall be converted into cash without prior written notice from the BIR, subject to the availability of funds.

TCCs already expired upon the effectivity of RR No. 14-2020 shall be automatically cancelled by the BIR except those which are already with the BIR for purposes of utilization thru Tax Debit Memo, or conversion or revalidation.

The list of expired TCCs shall be circularized/posted in the BIR website within thirty (30) days from the effectivity of RR No. 14-2020. This shall be deemed as sufficient notice to the TCC owners.

(Revenue Regulations No. 14-2020, published 29 May 2020)

Payment facility

Online payment of taxes through PayMaya

The electronic/online payment of taxes can now be made through the PayMaya mobile application. Taxpayers opting to pay via PayMaya should follow these steps:

1. Download the PayMaya App from Google Play Store, Apple App Store or Huawei AppGallery;

2. Log into the created PayMaya account and click on the “Pay Bills” button;
3. Enter all pertinent details for tax payment;
4. Review transaction details before clicking on the “Pay” button; and
5. Receive payment details via SMS and electronic mail (email).

For more information on how to avail the PayMaya tax payment facility, taxpayers may visit www.PayMaya.com, send an email to support@paymaya.com or call the hotline +632 8845 7788.

(Revenue Memorandum Circular No. 54-2020, issued 28 May 2020)

Delinquent

Withdrawal of protest against FAN/FLD and appeals of FDDAs via email

For purposes of availing the tax amnesty on delinquencies, taxpayers are temporarily allowed to file via electronic mail (email) the withdrawals of their protests against Final Assessment Notices/Formal Letters of Demand (FANs/FLDs), or appeals of Final Decisions on Disputed Assessment (FDDA).

The guidelines for the online filing of withdrawals include the following:

1. The letter-withdrawal must be in Portable Document Format (PDF) attached to the email and signed by the taxpayer or duly authorized representative. The PDF copy shall contain a scanned copy of the first page of the protest or appeal sought to be withdrawn bearing the BIR stamp of receipt and marked as Annex “A”.
2. The subject and body of the email must be in accordance with the prescribed format in RMC No. 52-2020 and addressed to the appropriate BIR office.
3. The withdrawal shall be deemed to have been filed on the date and time of receipt of the email.
4. The regular physical filing of papers or pleadings in connection with protests or appeals shall resume when the ECQ or GCQ is lifted in which event the email filing of withdrawals shall no longer be allowed.

(Revenue Memorandum Circular No. 52-2020, issued 27 May 2020)

Glossary

BIR – Bureau of Internal Revenue
ECQ – Enhanced Community Quarantine
GCQ – General Community Quarantine
RMC – Revenue Memorandum Circular

Overlooking jurisdiction

Where to file returns and pay taxes until 14 June 2020

In light of the extension of the ECQ and the implementation of the MECQ in some areas, the BIR extended until 14 June 2020 the leniency in the filing and payment of taxes per RMC No. 43-2020, thus:

1. Tax returns may be filed with and taxes may be paid at the nearest AABs, regardless of RDO jurisdiction; and
2. Tax returns may be filed with and taxes may be paid to Revenue Collection Officers (RCOs) of the nearest RDO, regardless of whether or not there are AABs.

For payments to RCOs, cash payments should not exceed PHP20,000 while check payments have no limit as to amount and should be made payable to the Bureau of Internal Revenue. The name of the receiving AAB branch may no longer be indicated.

Amnesty tax payments are also covered by the above extended leniency.

(Revenue Memorandum Circular No. 48-2020 issued 22 May 2020)

Stamp of receipt

Submission and stamping of filed 2019 ITRs and required attachments

Taxpayers have the following options in the submission of their filed 2019 income tax returns (ITRs) and required attachments:

1. Through the nearest Revenue Collection Officers (RCOs), regardless of RDO jurisdiction
 - a. For 2019 ITRs with payments made via the online payment facilities of AABs, the RCO shall stamp "RECEIVED" the ITRs and the pages of the Balance Sheet, Income Statement and Audit Certificate, if applicable.

Glossary

AAB – Authorized Agent Bank
BIR – Bureau of Internal Revenue
CPA – Certified Public Accountant
ECQ – Enhanced Community Quarantine
MECQ – Modified Enhanced Community Quarantine
RDO – Revenue District Office
RMC – Revenue Memorandum Circular

In the case of corporations and other juridical persons, at least two (2) extra copies of the audited financial statements (AFS) for filing with the Securities and Exchange Commission should be stamped "RECEIVED".

- b. For ITRs filed electronically, the RCO shall accept and stamp "RECEIVED":
 - i. only the print-out of the Filing Reference Number (FRN) generated from the eFPS/email confirmation from the eBIRForms System; and
 - ii. the pages of the Balance Sheet, Income Statement and Audit Certificate, if applicable.
2. Out-of-district returns and attachments shall be forwarded by RCOs to the concerned RDOs.
 - a. Through the online eAFS
 - b. The eAFS system may be accessed at www.bir.gov.ph.
 - c. The required attachments shall be grouped into three (3) document files wherein the documents must be scanned and saved in PDF and named accordingly before uploading to the eAFS, as follows:

Document group and file name	Manually filed	Electronically filed
File 1 EAFS[TIN] TR2019	✓ ITR ✓ Proof of payment	✓ ITR ✓ FRN / Email confirmation ✓ Proof of payment / Acknowledgment receipt
File 2 EAFS[TIN] AFS2019	AFS (Audited Financial Statement) composed of the following: ✓ Certificate of Independent CPA, if applicable ✓ Account Information Form and Financial Statements ✓ Statement of Management's Responsibility for ITR	
File 3 EAFS[TIN] OTH2019-01	✓ BIR Form No. 2304 ✓ BIR Form No. 2307 ✓ Tax debit memo, if applicable ✓ BIR Form No. 1606	
File size should not	✓	Proof of prior year's excess credits, if applicable

Document group and file name	Manually filed	Electronically filed
exceed 4.8GB	✓	Proof of foreign tax credits, if applicable
File 4 (if necessary)	✓	For amended ITR, proof of tax payment and previous ITR
EAFS[TIN] OTH2019-02	✓	Report of electronically submitted SAWT, if applicable
	✓	Proof of other tax payments / credit, if applicable
	✓	BIR Form No. 2316
	✓	Others

- d. The eAFS will acknowledge submission by issuing a system-generated Transaction Reference Number (TRN) and by sending an email to the system user. The TRN shall serve as proof of submission in lieu of the manual "RECEIVED" stamping. However, the taxpayer must keep the original copies of the digitally submitted documents.

(Revenue Memorandum Circular No. 49-2020, issued 22 May 2020)

Game ready

Resumption of operations of POGO licensees and service providers

The BIR has issued guidelines, documentary requirements and conditions for the BIR clearance applications of Philippine Offshore Gaming Operator (POGO) licensees and service providers intending to resume operations.

Said guidelines, documentary requirements and conditions are detailed in Annex "A" of Revenue Memorandum Circular No. 46-2020 which may be accessed at or downloaded from www.bir.gov.ph.

(Revenue Memorandum Circular No. 46-2020, issued 7 May 2020)

Glossary

AAB – Authorized Agent Bank
 BIR – Bureau of Internal Revenue
 SAWT – Summary Alphalist of Withholding Taxes

Devolving power

Delegation of authority to sign certificate of tax exemptions/rulings for energy-related projects

In compliance with Republic Act No. 11234, otherwise known as the "Energy Virtual One-Stop Shop Act", the Commissioner of Internal Revenue delegated the authority to sign Certificates of Tax Exemptions/Rulings on energy-related projects to the Assistant Commissioner, Legal Service.

(Revenue Delegation Authority No. 2-2020, issued 18 May 2020)

Gaining acceptance

Filing of revised BIR Form Nos. 1600-VT and 1600-PT

Under Revenue Memorandum Circular No. 13-2020, the following forms were revised:

1. BIR Form No. 1600-VT (Monthly Remittance Return of VAT Withheld);
2. BIR Form No. 1600-PT (Monthly Remittance Return of Other Percentage Taxes Withheld)

Accordingly, AABs are advised to accept the above revised BIR Forms and to follow the procedures in Bank Bulletin No. 1-2018 for the corresponding updates to the Limited Bank Data Entry System or AABs' Payment System.

(Bank Bulletin No. 6-2020, dated 17 February 2020)

Bank instructions

Accepting tax payments for returns due within the community quarantine period

All AABs shall accept payment for tax returns mentioned in Section 2 of Revenue Regulations No. 11-2020 until the extended due dates of filing/payment without imposition of corresponding penalties.

In this relation, AABs are reminded of the following responsibilities in the acceptance of the 2019 annual income tax return (ITR) and other tax returns, and the corresponding tax payments:

- Accept all tax payments including out-of-district tax returns

- Accept all tax payments where the taxpayer uses any of the following:
 - Official BIR Forms and copies of system-generated Filing Reference Numbers
 - Photocopies of returns/computer-generated or electronically-filed tax returns
 - Downloaded BIR Forms originally filled out and signed by the taxpayer or duly authorized representative
- Receive the tax returns by stamping the official receiving seal on three (3) copies of the tax return whether or not the taxpayer is under the jurisdiction of a regional office with Document Processing Division
- Copies in excess of three shall not be stamped "RECEIVED" by the AAB. Accordingly, in the case of juridical persons filing BIR Form No. 1702, the stamping of "RECEIVED" shall be extended to least two (2) additional copies of the audited financial statements, aside from those AFS attached to the ITRs.
- In the payment of a single tax liability/return, accept payments through:
 - Checks;
 - Combination of cash and checks; or
 - Combination of two or more checks.
- AABs should accept checks which are prepared payable to the Bureau of Internal Revenue, with or without "IFO Name and TIN of the taxpayer" written on the check payment as previously required.
- Stamp "RECEIVED" the attached financial statements to the ITRs only on the page of the Balance Sheet, Income Statement and Audit Certificate
- Accept tax payments from taxpayers who are already within the bank's premises by the close of the AAB's banking hours
- Accept check payments even after the bank cut-off/clearing time and just stamp the tax return "Received after cut-off/clearing" or with similar stamp
- Accept the payment of manually filed and out-of-district returns from taxpayers enrolled in the eFPS in case of unavailability of the eFPS facility as announced by the BIR
- Do not impose penalties for any violations committed by the taxpayers in the filing of tax returns and payments of taxes

(Bank Bulletin No. 5-2020, dated 20 May 2020)



Glossary

AAB – Authorized Agent Bank

BIR – Bureau of Internal Revenue

eFPS – Electronic Filing and Payment System

TIN – Tax Identification Number

Latest on regulatory landscape

Making SENS

Opening of the SEC Express System and SENS

The SEC opened the following services on 1 June 2020:

- SEC Express System – for the request of SEC documents (plain/authenticated copy) online and through the Call Center
- SEC Express Nationwide Submission (SENS) – for the submission of Audited Financial Statements (AFS) and General Information Sheet (GIS) through courier or Philippine Postal Office (PhilPost)

In this light, the Information and Communications Technology Department (ICTD) will consider the following measures to ensure safety of staff against COVID-19:

- Selected personnel from the Electronic Records and Management Division of the ICTD shall be required to report for work on a scheduled basis until all public transport becomes open to public commuters.
- Request for documents shall be done online and through the Call Center, Mondays to Fridays from 8AM to 5PM. The Appointment System will remain suspended. Documents shall be delivered five to seven days after payment confirmation.
- Submission of AFS and GIS in hard copies must be in three (3) sets through SENS. Filers will not be allowed to go to SEC Head Office or Satellite Offices to file reports.
- For the reckoning date of receipt, filers should attach to the hard copies of AFS and GIS the Acknowledgment Confirmation from the email addresses below.

Glossary

ICTD – Information and Communications Department

PICC – Philippine International Convention Center

RO – Regional Office

RHQ – Regional Headquarters

ROHQ – Regional Operating Headquarters

SEC – Securities and Exchange Commission

- Companies with principal office address near any of the SEC Extension Offices (EOs), shall file their reports with the nearest EO.
- All Satellite Offices shall be temporarily closed for receipt of reports.
- SEC shall continue to allow the submission of AFS and GIS through email under the following email addresses:
 - Audited Financial Statements
 - ermdfs1@sec.gov.ph
 - ermdfs2@sec.gov.ph
 - General Information Sheet
 - mlmliwanag@sec.gov.ph
 - mtmdabuyo@sec.gov.ph
 - Report of Non-holding of Election
 - cmdnotice@sec.gov.ph

(SEC Notice, dated 21 May 2020)

Aftermath

Procedures for the filing of AFS and GIS after the community quarantine

The SEC issued the following procedures for receiving Audited Financial Statements (AFS) and the General Information Sheet (GIS) **after** the community quarantine:

- All corporations, including branch offices, ROs, RHQs and ROHQs, shall file their AFS and GIS through the SEC Express Nationwide Submission (SENS) with any courier of choice and/or Philippine Postal Office (PhilPost).
- Corporations with principal office under the jurisdiction of SEC Extension Offices (EOs) shall file their reports with the nearest EO.
- All SEC Satellite Offices shall be temporarily closed for receiving of reports. Hence, all filings shall be delivered to the SEC Head Office, Ground Floor, Secretariat Building, PICC Complex, Pasay City via courier and/or PhilPost.
- The procedures herein cover and allow the email filing of AFS and GIS prior to the submission of the hard copies through the SENS. Upon lifting of the

community quarantine, however, the hard copies may be directly filed through the SENS via courier and/or PhilPost.

- The AFS, other than the consolidated financial statements, shall have the stamp "RECEIVED" by the BIR or its AABs, unless the BIR allows an alternative proof of submission for its AABs.
- The procedures herein also cover the filing of AFS with fiscal year ending 30 November 2019 and 31 December 2019. AFS or Annual Reports with different fiscal year endings are subject to the filing deadlines under SEC MC Nos. 5-2020 and 17-2020.
- The following entities are excluded from the number coding schedule under SEC MC Nos. 5-2020 and 17-2020 and their AFS/Annual Report filing deadline is still 30 June 2020:
 - Publicly-listed companies
 - Issuers of registered securities under MSRD supervision
 - Investment companies, issuers of proprietary and non-proprietary shares/timeshares, and public companies
- All AFS shall be filed through the SENS via courier and/or PhilPost, depending on the last numerical digit of the filing entity's SEC registration or license number in accordance with the following schedule:

June 29,30, July 1, 2, 3, 6, 7,8, 9, 10	1 and 2
July 13, 14, 15, 16, 17	3 and 4
July 20, 21, 22, 23, 24	5 and 6
July 27, 28, 29, 30	7 and 8
August 3, 4, 5, 6, 7	9 and 0

The above schedule may change if the community quarantine is extended.

- All corporations may file their AFS through SENS regardless of the last numerical digit of their SEC registration or license number on or before the first day stated in the above coding schedule pertaining to the said digit.
- Late filings shall be accepted starting 10 August 2020 thru SENS (via courier or PhilPost) and shall be subject to the prescribed penalties.

Glossary

MC – Memorandum Circular
 SEC – Securities and Exchange Commission
 SRC – Securities Regulation Code

- The basic components of the AFS as prescribed under SRC Rule 68 shall be submitted by filers. Failure to comply with any of the formal requirements under said Rule shall be subject to penalties.
- The General Financial Reporting Requirements provide the following thresholds for AFS:

Stock corporation	Total assets or total liabilities of PHP600,000 or more
Non-stock corporations	
Branches/ROs of stock foreign corporations	Assigned capital of PHP1m or more
Branches/ROs of non-stock foreign corporations	Total assets of PHP1m or more
ROHQs	Total revenues of PHP1m or more

Entities which do not meet the above thresholds may submit their AFS accompanied by a duly notarized Treasurer's Certification only (rather than an Auditor's Report).

- All filers of GIS and AFS, regardless of the number of reports to be filed at SEC, may choose to avail any of the following options:
 - SENS; or
 - Courier or regular mail (with no return copy of reports submitted)
- Refer to SEC MC No. 18-2020 for the detailed procedures for both options.
- The date of mailing of reports such as the GIS and AFS, as shown by the registry receipt of the courier, shall be considered as the reckoning date of submission of the GIS and AFS. For reports filed through registered mail in PhilPost, the reckoning date of receipt shall be the date of receipt by the PhilPost.
 - For reports filed through email during the community quarantine, the reckoning date of receipt shall be the date in the Acknowledgment Confirmation in the email attached to the hard copy of the reports submitted.

(SEC Memorandum Circular No. 18-2020, published 24 May 2020)

SEC filings

Extended deadlines for ARs and AFS for FY ending 31 January to 30 April

The SEC extended the filing deadlines for the following reports of companies with fiscal years ending 31 January 2020 to 31 March 2020 by 60 calendar days, and with fiscal years ending 30 April 2020 by 45 calendar days, both extensions to be counted from the regular filing deadlines:

1. Annual Reports (SEC Form 17-A) and Audited Financial Statements (AFS) of publicly-listed companies (PLCs);
2. Annual Reports and AFS of issuers of registered securities (other than PLCs); and
3. AFS of all other companies.

The filing deadline for Quarterly Reports (SEC 17-Q) for the first quarter of the covered companies was also extended by 45 calendar days from the regular filing deadlines.

PLCs and issuers of registered securities under MSRD supervision which want to avail the above extended periods for filing of the SEC Form 17-A and 17-Q Reports are required to file the special disclosure form SEC Form 17-LC within five (5) calendar days before the regular filing deadline.

Annex "A" of SEC MC No. 17-2020 provides illustrative examples of the extended filing deadlines.

(SEC Memorandum Circular No. 17-2020, published 15 May 2020 and PSE Memorandum CN No. 2020-0048, 18 May 2020)

Saving grace

Expanding the loans covered by the grace period in light of the ECQ

Pursuant to the Bayanihan to Heal As One Act (Republic Act No. 11469), all finance companies, lending companies and microfinance NGOs are required to implement a 30-day grace period for all loans with

principal and/or interest that fell due from 17 March 2020 to 31 May 2020, without incurring interest on interest, penalties, fees and other charges.

The initial 30-day grace period shall automatically be extended if the ECQ period is extended by the President pursuant to his emergency powers.

(SEC Notice, dated 13 May 2020)

Floor plan

Trading floor guidelines for the investing public and trading participants during GCQ

Under the GCQ in Metro Manila which started 1 June 2020, the Philippine Stock Exchange (PSE) continued shortened trading hours from 9AM (Pre-Open Period) to 1PM (Market Close). The trading floor was reopened for business and allow Trading Participants (TP) to conduct trading in their respective booths.

To minimize contract rate and prevent the spread of COVID-19, brokers and traders should comply with the following guidelines:

1. Only one (1) trader per trading booth shall be allowed entry to the trading floor and no other person will be allowed to stay in the trading booth.
2. Only trading floor turnstiles shall be used for entry and exit.
3. No mask, no entry and all traders shall wear face masks at all times while inside the trading floor
4. Traders shall fill up daily a Health Declaration Form (HDF) before entering the trading floor. Those who have a temperature above 37.5 degrees Celsius, give information in the HDF requiring further evaluation by the PSE nurse, or develop flu-like symptoms and fever while inside PSE premises shall be isolated in the designated area and not allowed to enter the trading floor. The PSE will conduct another temperature check midway through the trading session.
5. All traders reporting on the trading floor will have to pass through the building's temperature screening and sanitation booth at the designated entry points. Trading personnel coming from the basement parking area shall use the building's parking elevators to access the PSE elevators at the upper ground floor.
6. Messengers shall be allowed only at the designated PSE receiving area on the building lobby
7. No visitors, guests, or trainees will be allowed at the trading floor.

Glossary

ECQ – Enhanced Community Quarantine

FY – Fiscal Year

MC – Memorandum Circular

MSRD – Market Securities Regulation Department

NGO – Non-Government Organization

SEC – Securities and Exchange Commission

8. Any activities that may violate the one (1) meter physical distancing shall be prohibited and subject to the appropriate sanctions.

PSE may suspend trading operations on the trading floor if deemed necessary for the safety of the TPs and its employees. Any violation of the above guidelines may cause the trader to be restricted from entering the trading floor for the duration of the quarantine period.

(PSE Memorandum CN No. 2020-0051, 29 May 2020)

Tolling the period

Interruption of periods to file appeals and other pleadings with the DTI Secretary

The Department of Trade and Industry (DTI) Secretary promulgated guidelines governing the filing of appeals and other pleadings with his office during the ECQ which involve violations of the Consumer Act and other trade and industry laws. The guidelines provide for the following:

- For purposes of the guidelines, the term “ECQ” includes the GCQ and local community quarantine.
- The reglementary period for the commencement of appeals, filing of pleadings and all other papers shall be interrupted for the duration of the ECQ.
- Parties have fifteen (15) days from the lifting of the ECQ to file their respective appeals, pleadings and other papers.
- The rendition of judgments, resolutions and orders shall be suspended during the ECQ.
- Motions, notices, pleadings and other appeals-related filings received during the ECQ shall be given due course upon resumption of regular business operations.
- The foregoing shall not be applicable to urgent cases wherein the government should be enabled to act expeditiously on matters affecting the current public health emergency.

(DTI Memorandum Circular No. 20-20, dated 27 April 2020)

Glossary

ECQ – Enhanced Community Quarantine
GCQ – General Community Quarantine
PSE – Philippine Stock Exchange

Procedural matters

Amendments to the 1997 Rules of Civil Procedure

The Supreme Court approved the 2019 Proposed Amendments to the 1997 Rules of Civil Procedure which took effect on 1 May 2020. The amendments affect the following Rules:

- Rule 6 – Kinds of Pleadings
 - Attachment of actionable document to defending party's answer
 - Definition of a “Complaint”
 - What may be included as affirmative defenses
 - Consequence of not raising a compulsory counterclaim in the same action
 - Cross-claim coverage
 - Reply
 - Third-party complaint
- Rule 7 – Parts and Contents of a Pleading
 - Signature of counsel
 - Consequences of violating rule regarding signature and address
 - Verification
 - Attachment to the pleading of the affiant's authorization to act on behalf of a party
- Rule 8 – Manner of Making Allegations in Pleadings
 - Inclusion of cause of action
 - Attachment of authenticated copy of the judgment or decision
 - Material averments deemed admitted
 - Affirmative defenses
- Rule 9 – Effect of Failure to Plead
 - Ordering the Solicitor General or his/her deputized public prosecutor to investigate collusion
- Rule 10 – Amended and Supplemental Pleadings
 - Amendments by leave of court
 - When amendment of pleadings deemed amended is not necessary to cause conformity to the evidence

- Rule 11 – When to File Responsive Pleadings
 - Computation of deadlines based on calendar days
 - Extension of time to file an answer
- Rule 12 – Bill of Particulars
- Rule 13 – Filing and Service of Pleadings, Judgments and Other Papers
 - Inclusion of motions and other court submissions
 - Where several counsels appear for one party, service of only one copy upon lead counsel or on any one if no lead counsel is designated
 - Manner of filing and modes of service
 - Manner of personal service
 - Service by accredited courier, electronic service and service by facsimile
 - Presumptive service
 - When a copy of the judgment, final order or resolution may be delivered by accredited courier
 - Kinds of orders, pleadings and other documents which shall not be served or filed electronically unless expressly permitted by the court
 - Proof of filing by accredited courier, electronic mail or other authorized electronic means
- Rule 14 – Summons
 - Issuance
 - When plaintiff is authorized to serve the summons
 - Validity of summons and issuance of alias summons
 - Service in person on defendant
 - Service upon spouses, and domestic private juridical and foreign private juridical entities
 - Duty of counsel of record
 - Service upon defendant whose identity or whereabouts are unknown
 - Return
 - Proof of service
- Rule 15 – Motions
 - Motions made in open court and motions based on facts not appearing on record
 - Non-litigious and litigious motions
 - Motion day
 - Prohibited motions
- Rule 18 – Pre-Trial
 - Pre-trial is mandatory and should be terminated promptly
 - Dates that must be included in the notice of pre-trial
 - Duty to appear in court-annexed mediation and judicial dispute resolution
 - Pre-trial brief contents
 - Pre-trial order
 - Judicial dispute resolution
- Judgment after pre-trial Rule 21 – Subpoena
 - Tender or charging of costs for court attendance and production of documents
- Rule 30 – Trial
 - Schedule of trial
 - Hearing days and calendar call
 - Oral offer of exhibits
- Rule 33 – Demurrer to Evidence
 - Action on demurrer to evidence
- Rule 34 – Judgment on the Pleadings
 - Action on motion for judgment on the pleadings
- Rule 35 – Summary Judgments
 - Motion and proceedings thereon
 - Case not fully adjudicated on motion
- Rule 144 – Effectiveness

(Supreme Court A.M. No. 19-10-20, approve 15 October 2019)

Charge to employer

Who bears the cost of COVID-19 prevention and control measures

All employers shall shoulder the cost of COVID-19 prevention and control measures such as:

- Testing
- Disinfection facilities
- Hand sanitizers
- Personal protective equipment
- Signages
- Orientation and training of workers

In the case of contracts for construction projects and for security, janitorial and other services, the cost shall be borne by the principals or clients of the construction/service contractor. Contractual provisions inconsistent therewith are deemed amended.

Importantly, no cost related or incidental to COVID-19 prevention and control measures shall be charged directly or indirectly to workers.

(DOLE Labor Advisory No. 18, dated 16 May 2020)

Averting dismissal

Guidelines on employment preservation upon resumption of business operations

1. Health standards

All employers whose businesses have been allowed to continue or to resume operations must observe the minimum health standards pursuant to the following issuances:

- a. DTI and DOLE Interim Guidelines on Workplace Prevention and Control of COVID-19 dated 30 April 2020;
- b. Department Order No. 35-2020 dated 4 May 2020 on Construction Safety Guidelines for the

Implementation of all DPWH Infrastructure Projects During the COVID-19 Health Crisis; and

- c. Department Memorandum No. 2020-0220 dated 11 May 2020 on Interim Guidelines on the Return-to-Work issued by the DOH.

2. If feasible, establishments are highly encouraged to adopt work-from-home or telecommuting arrangements wherein employees shall be provided with adequate support.

3. Alternative work schemes

Instead of termination of employment or closure, a combination of the following schemes may be adopted:

- a. Transfer of employees to another branch or outlet
- b. Re-assignment of employees to another position or function
- c. Reduction of normal workhours per day or per week
- d. Job rotation
- e. Partial closure

The above schemes are temporary in nature and shall be adopted as long as the public health crisis exists.

4. Wages and wage-related benefits

Employers and employees may agree to adjust wages and wage-related benefits as provided for in their employment contracts, company policies or collective bargaining agreements (CBAs).

The adjustments shall not exceed six (6) months or the period agreed upon in the CBA, if any. After such period, the agreement may be reviewed and renewed.

5. Separated employees

Employees terminated due to authorized causes shall be entitled to final pay pursuant to Labor Advisory No. 6-2020 without prejudice to other benefits provided by law, company policy and/or CBA.

6. Reporting requirements

Employers are required to report/submit the following to the concerned DOLE Regional Office:

- a. Alternative work schemes adopted;

Glossary

DOH – Department of Health

DOLE – Department of Labor and Employment

DPWH – Department of Public Works and Highways

DTI – Department of Trade and Industry

- b. Duly certified copies of agreements in relation to work-from-home arrangements and alternative work schemes adopted; and
- c. Establishment termination report.

(DOLE Labor Advisory No. 17, dated 16 May 2020)

On probation

Exclusion of the quarantine period from the six-month probationary period

For purposes of determining the duration of the six-month probationary period for employees under probationary status, the period during which the ECQ or GCQ is in force shall not be included when:

1. The establishment temporarily ceased or closed operations; and/or
2. The probationary employee was temporarily not required to report for work due to said ECQ or GCQ.

(DOLE Labor Advisory Nos. 14 and 14-A, dated 30 March and 9 May 2020)

Controlled environment

Guidelines on workplace prevention and control of COVID-19

The Department of Trade and Industry (DTI) and Department of Labor and Employment (DOLE) issued Interim Guidelines on Workplace Prevention and Control of COVID-19 in order to assist the private sector in developing minimum health protocols and standards in light of the COVID-19 pandemic.

The Guidelines provide for the following:

- Workplace safety and health
 - Increase of physical and mental resilience
 - Reducing infection from and transmission of COVID-19
 - Minimizing contact rate

Glossary

ATIR – Annual Tax Incentives Report
 BIR – Bureau of Internal Revenue
 BOI – Board of Investments
 ECQ – Enhanced Community Quarantine
 GCQ – General Community Quarantine
 ITR – Income Tax Return

- Duties of employers and workers
- Workplaces with imminent danger situations
- COVID-19 testing
- Most at-risk workers and vulnerable groups
- Reporting of illnesses/diseases/injuries

(DTI and DOLE Interim Guidelines on Workplace Prevention and Control of COVID-19, posted 1 May 2020)

BOI filings

Extension of BOI deadlines for compliance requirements

In light of the extension of the Enhanced Community Quarantine (ECQ) to 15 May 2020 and the extension of tax filing deadlines under Revenue Regulations No. 11-2020, the Board of Investments (BOI) announced the following deadline extensions:

1. Tax Incentives Management and Transparency Act (TIMTA) reports and Income Tax Holiday (ITH) applications with the Incentives Administration Service

Request	Prescribed deadline	Extension
ATIR under TIMTA	Within 30 days from filing of the ITR with the BIR	on or before 15 July 2020
Application for ITH	Within 30 days from filing of the ITR with the BIR or from the last day of extended deadline for the filing of the ITR	on or before 14 July 2020
Income Tax Return (ITR)	Within 30 days from date of eFiling with the BIR	on or before 30 May 2020
ATIR under TIMTA	Within 30 days from filing of the ITR with the BIR	on or before 15 July 2020

The BOI-registered enterprise may opt to submit the TIMTA report during the ECQ period to **KHCo@boi.gov.ph**.

2. Reportorial requirements and motions for reconsideration with the Legal and Compliance Service

Book I BOI-IPP Registered enterprises		
Report	Prescribed deadline	Extension
BOI Form S-1	Calendar Year – on or before 30 April Fiscal Year (FY) – 4 months after the FY end	or before 15 July 2020 or before 30 July 2020
Audited Financial Statement (AFS)	Within 30 days from date of eFiling with the BIR	on or before 30 July 2020
ITR	Within 30 days from date of eFiling with the BIR	on or before 30 July 2020
Proof of compliance with the 20% Socialized Housing Requirement	On or before 25 March 2020	on or before 30 June 2020

Book II Foreign Investments Act		
Report	Prescribed deadline	Extension
Annual Export Performance Report with AFS and ITR	30 May of every year	on or before 15 August 2020

Book III RHQs AND ROHQs		
Report	Prescribed deadline	Extension
Securities and Exchange Commission (SEC) Certificate of Registration and Initial General Information Sheet (GIS) and Inward Remittance	Within 30 days from issuance of SEC registration.	If the deadline falls within the ECQ period, filing of GIS and Inward Remittance will be extended within 30 days from lifting of the ECQ
Annual GIS and Inward Remittance	Within 30 days from anniversary date of SEC registration	If the deadline falls within the ECQ period, filing of Annual GIS and Inward Remittance will be extended within 30 days from lifting of the ECQ

Book III RHQs AND ROHQs		
Report	Prescribed deadline	Extension
AFS and/or ITR	4 ½ months from end of fiscal year or 15 May	On or before 30 July 2020

Retail Trade Liberalization Act		
Report	Prescribed deadline	Extension
BOI Report Form, GIS, AFS and ITR	On or before 15 May	On or before 30 July 2020

Motion for reconsideration		
Report	Prescribed deadline	Extension
Motion for Reconsideration	Within 30 days from receipt of the Board decision	If the deadline falls within the ECQ period, filing of MR will be extended within 10 working days from lifting of the ECQ

During the ECQ period, BOI-registered enterprises may opt to submit reports to lcsecqperiodsubmission@boi.gov.ph.

For the Proof of Compliance with the 20% Socialized Housing Requirement, the following requirements (duly certified by an authorized representative) may be submitted through email to the concerned Legal and Compliance Service Account Officer:

1. Socialized housing compliance project name and location;
2. Photos of the socialized housing compliance project;
3. Engineer's Affidavit;
4. Number of fully constructed socialized housing units (SHUs) per BOI-registered project; and
5. Block and lot number of the SHUs.

The BOI will advise resumption of inspection once it is safe to do so.

1. Prospective applicants

The submission and processing of applications for registration or accreditation are suspended.

However, applicants may opt to submit their applications through email to the following:

Service	Director / OIC	Email address
Manufacturing Industries Service	Evariste M. Cagatan	EMCagatan@boi.gov.ph
Infrastructure and Services Industries Service	Mary Ann E. Raganit	MERaganit@boi.gov.ph
Resource-Based Industries Service	Raquel B. Echague	RBEchague@boi.gov.ph

Applicants will be notified of the deficiencies or any action taken through email.

2. Enterprises with pending applications
 - a. For those already notified in writing of the approval of their projects prior to the ECQ, the deadline for the submission of pre-registration requirements is extended for 15 working days from the lifting of the ECQ.
 - b. For those whose applications were officially received and are pending evaluation, the same shall be processed upon the lifting of the ECQ. The prescribed processing period of 20 working days shall be reckoned from such date.

(BOI Advisory, dated 6 May 2020)

Dividend requirements

Interim guidelines on dividend declarations of IC-regulated entities

Before declaring any cash, property or stock dividends, insurance and professional reinsurance companies, pre-need companies, and health maintenance organizations should always comply with the respective requirements enumerated in IC Circular Letter No. 2020-66 (which suspends IC Circular Letter No. 2019-60 until 31 December 2020).

All IC-regulated entities intending to declare and/or distribute dividends for 2020 are required to secure prior approval from the IC and submit the following:

1. Approved Annual Statement as of 31 December 2019;
2. Interim unaudited financial statements certified under oath by the President and Finance Officer;
3. Notarized Secretary's Certificate of the Board resolution as to the reversal of restricted to unrestricted retained earnings, if applicable; and
4. Notarized Secretary's Certificate of no pending case of intra-corporate dispute.

Please note the following additional requirements:

Cash dividend	List of assets to be converted, in case of insufficient cash available for distribution, certified by the Treasurer under oath
Stock dividend	List of stockholders with their respective subscribed capital stock together with the allocation of stock dividend certified by the Corporate Secretary under oath; and Analysis of Capital Structure certified by the Treasurer under oath
Property dividend	List of stockholders with their respective subscribed capital stock together with the allocation of property dividend certified by the Corporate Secretary under oath; Detailed schedule of the property account appearing in the Annual Statement; and Certification by the President that the property for dividend declaration is no longer needed in the operation of the company.

The IC may disapprove any request to declare and/or distribute dividends if reasonably necessary to protect public interest and the company itself due to the economic impact of the COVID-19 pandemic.

Any IC-regulated entity which declares or distributes dividends in violation of IC Circular Letter No. 2020-66 may be ordered to cease and desist from doing business until the dividend or excess dividend has been restored.

(IC Circular Letter No. 2020-66, dated 21 May 2020)

Glossary

ECQ – Enhanced Community Quarantine
IC – Insurance Commission

IFRS 17

Deferral of IFRS 17 implementation, amending IC Circular Letter No. 2018-69

In light of the COVID-19 situation which has prompted the IC to realign its priority programs under the “New Normal” and to support the insurance industry, the IC has deferred the implementation of IFRS 17 for Life and Non-Life Insurance Companies by two years after its effective date as decided by the International Accounting Standards Board.

Except as provided above, the provisions and disclosure requirements of IC Circular Letter Nos. 2018-69 and 2019-66 remain effective. Further, the unamended provisions of both IC Circular Letters shall be read and construed as a single circular.

(IC Circular Letter No. 2020-62, dated 18 May 2020)

Auditor accreditation

Revised framework in the selection of external auditors

The IC issued supplemental guidelines for the selection of external auditors by IC-regulated entities. The guidelines provide for the following:

- Starting 1 January 2020, all new and renewal applications for inclusion in the List of Accredited External Auditors (“List”) to audit 2020 financial statements and thereafter should be filed with the SEC.
- All requirements in Section 4 of IC Circular Letter No. 2019-39 should be submitted to the Financial Examination Group on or before 31 January of the following year.
- Accredited External Auditors should submit the following:
 - Name of IC-regulated clients, name of engagement partners, in the case of auditing firms, and number of years of engagement, in case of signing partners, if any
 - Copy of each engagement contract
 - Matters discovered that adversely affect financial condition

Glossary

IC – Insurance Commission

SEC – Securities and Exchange Commission

- Summary of clients that have pre-terminated engagement contracts stating the reasons for pre-termination

The foregoing should be submitted in electronic format together with a signed certification (Annex “A” of IC Circular Letter No. 2020-61).

- The IC may issue directives, orders or penalties on regulated entities and/or their directors and management who approve External Auditors not in the List for IC-regulated entities.
- The IC may also recommend the suspension or delisting of External Auditors from its List.
- Notwithstanding the published SEC list, the IC will regularly publish the List including any non-compliance issues observed.

(IC Circular Letter No. 2020-61, dated 15 May 2020)

Electronic means

Online submission of annual statements and audited financial statements

In light of the high risk of COVID-19 transmission and infection, all insurance and professional reinsurance companies, mutual benefit associations, pre-need companies, health maintenance organizations and insurance and/or reinsurance brokers are required to submit their annual statements, AFS and attachments for reporting periods starting 2019 and onwards through electronic means.

For this purpose, the documents should be submitted in a compressed and password-protected file.

Notwithstanding, the IC may still require the submission and examine the original hard copy of the electronically-submitted documents.

(IC Circular Letter No. 2020-59, dated 14 May 2020)

DIGICUR deadline

Deadline for compliance with Digitization of Customer Records (DIGICUR)

In light of Anti-Money Laundering Council Resolution No. 51 dated 28 April 2020, compliance with the requirements of the Guidelines on DIGICUR has been extended from 13 April 2021 to 30 September 2021.

(IC Circular Letter No. 2020-50, dated 4 May 2020)

AMLC advisories

Dissemination of Anti-Money Laundering Council (AMLC) Advisories

The IC has disseminated copies of AMLC Advisories on the submission of covered transaction reports, suspicious transaction reports, and know-your-customers documents during the enhanced community quarantine period.

(IC Circular Letter No. 2020-49, dated 29 April 2020)

Rural development

Institutionalization of the “Balik Probinsya, Bagong Pag-asa” Program

To ensure a balanced regional development and equitable distribution of wealth, resources and opportunities, the President approved the institutionalization of the “Balik Probinsya, Bagong Pag-asa” (BP2) Program. Accordingly, he issued Executive Order No. 114, which provides for the following:

- Creation of the Balik Probinsya, Bagong Pag-asa Council
- Key areas
 - Empowerment of local industries
 - Food security and agricultural productivity
 - Social welfare, health and employment
 - Development of infrastructure
- Categorization of BP2 program framework components
- Funding

(Executive Order No. 114, approved 6 May 2020)

Going rates

Import duty rates of crude petroleum oil and refined petroleum products

The President has temporarily modified the rates of import duty on crude petroleum oil and refined petroleum products described in Annex “A” of Executive Order (EO) No. 113 by imposing a temporary additional import duty

of ten percent (10%) on top of their existing Most Favored Nation and preferential import duties.

The modified rates shall immediately revert to zero percent (0%) as international oil prices increase upon a certification by the Department of Energy that a trigger price has been reached and the Department of Finance has been notified thereof.

Existing rates of import duty on tariff headings and subheadings not listed in Annex “A” as well as those listed but represented by the symbol “x x x” shall remain in force and effect.

EO No. 113 took effect on 5 May 2020 after its publication in Manila Bulletin and shall remain enforceable until RA No. 11469 ceases to be effective or upon reversion of the modified rates to 0%, whichever comes first.

(Executive Order No. 113, approved 2 May 2020)



Glossary

IC – Insurance Commission
RA – Republic Act

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



Alexander B. Cabrera
Chairman & Senior Partner,
concurrent Tax Partner
T: +63 (2) 8459 2002
alex.cabrera@pwc.com



Malou P. Lim
Tax Managing Partner
T: +63 (2) 8459 2016
malou.p.lim@pwc.com



Fedna B. Parallag
Tax Partner
T: +63 (2) 8459 3109
fedna.parallag@pwc.com



Lawrence C. Biscocho
Tax Partner
T: +63 (2) 8459 2007
lawrence.biscocho@pwc.com



Carlos T. Carado II
Tax Partner
T: +63 (2) 8459 2020
carlos.carado@pwc.com



Roselle Y. Caraig
Tax Partner
T: +63 (2) 8459 2023
roselle.y.caraig@pwc.com



Harold S. Ocampo
Tax Principal
T: +63 (2) 8459 2029
harold.s.ocampo@pwc.com



Geraldine E. Longa
Tax Partner
T: +63 (2) 8459 2038
geraldine.c.esguerra-longa@pwc.com

For accounting matters



Gina S. Detera
Assurance Partner
T: +63 (2) 8459 3063
gina.s.detera@pwc.com



Zaldy D. Aguirre
Assurance Partner
T: +63 (2) 8459 3023
zaldy.aguirre@pwc.com

Request for copies

You may ask for the full text of the *Client Advisory Letter* by writing our Tax Department, Isla Lipana & Co., 29th Floor, Philamlife Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines. T: +63 (2) 8845 2728. F: +63 (2) 8845 2806. Email lyn.golez@pwc.com.

www.pwc.com/ph

© 2020 Isla Lipana & Co. All rights reserved.

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 157 countries with over 276,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com/ph.

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

Disclaimer

The contents of this advisory letter are summaries, in general terms, of selected issuances from various government agencies. They do not necessarily reflect the official position of Isla Lipana & Co. They are intended for guidance only and as such should not be regarded as a substitute for professional advice.