

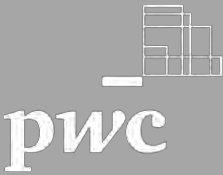


Deals & Corporate Finance Partner Jade Divinagracia helps farmers and local residents of Himamaylan by handing food packs and sacks of rice through the firm's 100 Days of Christmas project. The town was also one of the badly hit areas when Typhoon Odette ravaged the island.

Client Advisory Letter

Replacement officers ^{p3} | Direct and exclusive ^{p3} | POGO taxation ^{p4} | CREATE IRR updates ^{p6}

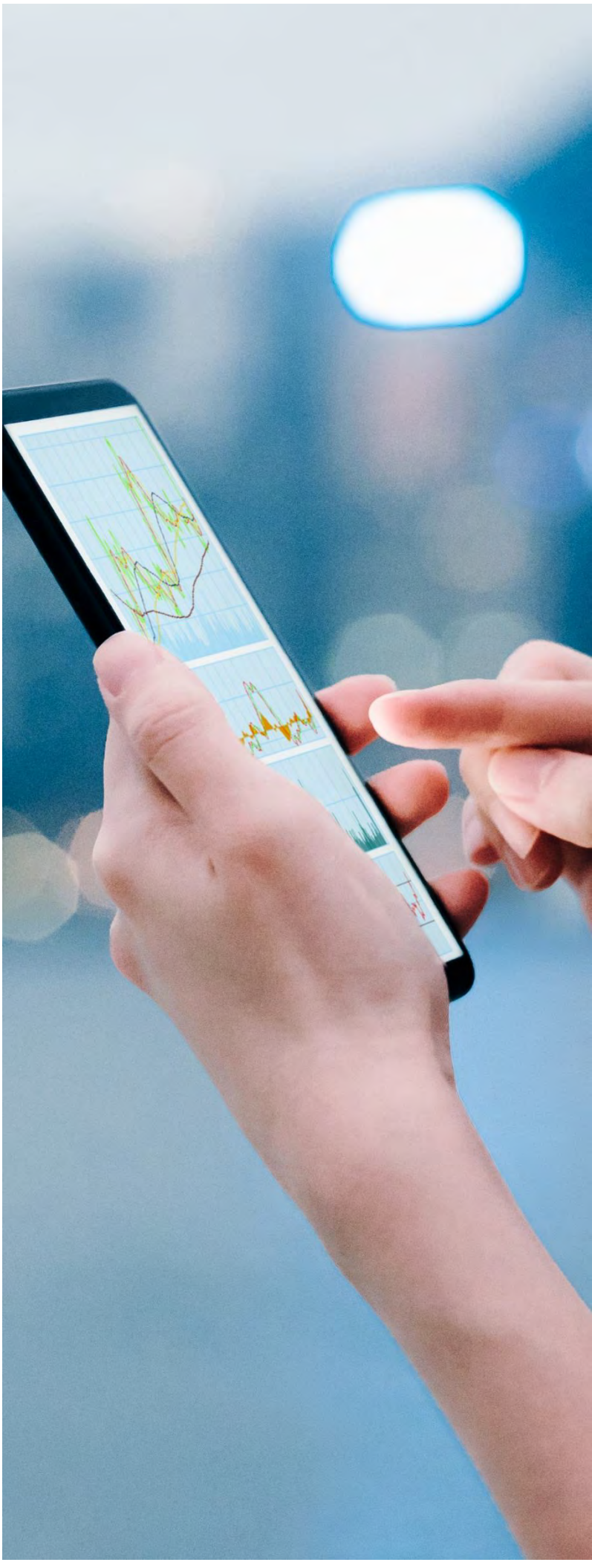
December 2021



At a glance

Updates, reiterations, and clarifications on selected topics

- Taxes, compliance matters, assessments, and refunds3**
 - Replacement officers3
 - Today and tomorrow3
 - Direct and exclusive3
 - POGO taxation4
 - Online payment5
 - Controlling list.....5
 - Terminal fee5
 - Share capital6
 - CREATE IRR updates.....6
 - Changing form.....8
- Latest on regulatory landscape.....9**
 - Geotagging.....9
 - Low ceiling9



Taxes, compliance matters, assessments, and refunds

Replacement officers

Substitution of revenue officers must be supported by a separate or amended LOA

In the course of a tax investigation, one of the revenue officers named in the Letter of Authority (LOA) was transferred and a new revenue officer was designated to replace and continue the tax investigation. In this regard, a referral memorandum was issued by the Bureau of Internal Revenue.

According to the Supreme Court, the practice of reassigning or transferring revenue officers originally named in a LOA and substituting or replacing them with new revenue officers to continue a tax investigation **without a separate or amended LOA** has the following implications:

1. It violates the taxpayer's right to due process in a tax investigation because the issuance of an LOA prior to examination and assessment is a requirement of due process;
2. It usurps the statutory power of the Commissioner of Internal Revenue or his duly authorized representative to grant the power to examine the books of account of a taxpayer because a memorandum of assignment, referral memorandum or such other equivalent document is not issued for the purpose of vesting upon the substitute or replacement revenue officer the authority to examine books of accounts.
3. It does not comply with Revenue Memorandum Order No. 43-1990 which requires the issuance of a new LOA if revenue officers are reassigned or transferred.

(G.R. No. 242670, promulgated 10 May 2021)

Today and tomorrow

Filing of judicial and administrative refund claims one day apart

Under Section 229 of the Tax Code, a taxpayer-claimant must first file an administrative claim for refund with the Bureau of Internal Revenue (BIR) before filing a judicial claim for refund with the Court of Tax Appeals (CTA). However, both administrative and judicial claims should be filed within a two-year prescriptive period.

Although the taxpayer-claimant may file the judicial claim without waiting for the resolution of its administrative claim, the CTA ruled that the filing of the judicial claim on 16 January 2019, which was only one day after the filing of the administrative claim on 15 January 2019, deprived the BIR of the full opportunity to decide the administrative claim. With just one day, the Commissioner of Internal Revenue was neither afforded a complete chance to pass upon the matter nor given an opportunity to act and correct the errors committed in the administrative forum. Under such circumstances, the CTA held that the taxpayer-claimant's judicial claim should be barred due to failure of the taxpayer to exhaust administrative remedies.

(CTA Case No. 10008, promulgated 7 December 2021)

Direct and exclusive

Amendments to the VAT zero-rating provisions of RR No. 16-2005

In light of the new Title XIII - Tax Incentives under the Tax Code and its implementing rules and regulations (IRR), the Bureau of Internal Revenue amended Revenue Regulations (RR) No. 16-2005 (Consolidated VAT Regulations) as follows:

1. Section 4.106-5(b) has been amended to read as:
"Sales to persons or entities whose exemption from **direct and indirect taxes** under special laws or international agreements to which the Philippines is a signatory effectively subjects such sales to zero rate;"

Glossary

VAT – Value-added Tax

2. Export sales under Section 4.106-5 now includes the:

“Sale of raw materials, inventories, supplies, equipment, packaging materials, and goods, to a registered export enterprise, to be used directly and exclusively in its registered project or activity pursuant to Sections 294(E) and 295(D) of Republic Act No. 11534 or the “Corporate Recovery and Tax Incentives for Enterprise Act” (CREATE Act), and Section 5, Rule 2 of its IRR for a maximum period of seventeen (17) years from the date of registration, unless otherwise extended under the SIPP; Provided, That the term “registered export enterprise” shall refer to an export enterprise as defined under Section 4(M), Rule 1 of the CREATE Act IRR, that is also a registered business enterprise as defined in Section 4(W) of the same IRR; Provided further, That the above-described sales to existing registered export enterprises located inside ecozones and freeport zones shall also be qualified for VAT zero-rating under this sub-item until the expiration of the transitory period.”

3. Section 4.108-5(b)(2) has been amended to read as:

“Services rendered to persons or entities whose exemption from **direct and indirect taxes** under special laws or international agreements to which the Philippines is a signatory effectively subjects the supply of such services to zero percent (0%) rate;”

4. Transactions subject to the VAT zero rate under Section 4.108-5(b) now includes the:

“Sale of services, including provision of basic infrastructure, utilities, and maintenance, repair and overhaul of equipment, to a registered export enterprise, to be used directly and exclusively in its registered project or activity pursuant to Sections 294(E) and 295(D) of Republic Act No. 11534 or CREATE Act, and Section 5, Rule 2 of its IRR for a maximum period of seventeen (17) years from the date of registration, unless otherwise extended under the SIPP; Provided, That the term “registered export enterprise” shall refer to an export enterprise as defined under Section 4(M), Rule 1 of the CREATE Act IRR, that is also a registered business enterprise as defined in Section 4(W) of the same IRR; Provided further, That the above-described sales to existing registered export enterprises

located inside ecozones and freeport zones shall also be qualified for VAT zero-rating under this sub-item until the expiration of the transitory period.”

The above amendments took effect immediately after publication and shall cover transactions entered into during the third quarter of taxable year 2021 and onwards.

(Revenue Regulations No. 21-2021, published on 10 December 2021)

POGO taxation

Regulations implementing Republic Act No. 11590

The BIR issued regulations to implement Republic Act No. 11590 entitled An Act Taxing Philippine Offshore Gaming Operations, which amended the Tax Code. The implementing regulations provide for the following:

- Definition of terms which include the following:
 - Accredited Service Provider (where the BIR included natural persons)
 - Agreed Pre-determined Minimum Monthly Revenue from Gaming Operations
 - Gross Gaming Revenue or Receipts
 - Payouts
 - Third-Party Auditor
- Non-gaming revenues of all Offshore Gaming Licensees (OGLs) shall be subject to VAT or percentage tax, whichever is applicable.
- Sale of goods, property and services by VAT-registered service providers, including Accredited Service Providers, to OGLs shall be subject to the VAT zero rate if the OGLs are paying the 5% gaming tax.
- VAT zero-rating shall not apply if the services or goods supplies are used in non-gaming operations.
- All Philippine Offshore Gaming Operation (POGO) entities are required to submit an updated Summary List and Status Update on Foreign Nationals Employed Form not later than the 20th day after the end of each month.
- Each POGO Licensing Authority is required to submit a Status Report on OGLs Form and a List of Foreign Nationals with Issued Gaming Employment License Forms not later than the 20th day after the end of each month.

Glossary

BIR – Bureau Internal Revenue

SIPP - Strategic Investment Priority Plan

VAT – Value-Added Tax

- Non-registration, non-payment, underpayment or non-withholding and remittance by OGLs, OGL-Gaming Agents, Accredited Service Providers and any of their branches are considered fraudulent acts, hence, subject to penalties under the Tax Code.
- The BIR shall implement closure orders against OGLs, OGL-Gaming Agents, Accredited Service Providers and any of their branches that fail to pay taxes and/or that commit fraudulent acts. The closure of OGLs or OGL-Gaming Agents shall necessarily include the closure of their Accredited Service Providers.
- If the final withholding tax is not withheld and remitted by a POGO entity, the foreign national concerned may be deported, barred from re-entry or blacklisted by the Department of Labor and Employment, Bureau of Immigration and other relevant agencies.
- POGO entities that fail to provide their true and correct address shall be deemed as not having failed to register with the BIR.

(Revenue Regulations No. 20-2021, published on 3 December 2021)

Online payment

ONETT-related taxes filed electronically may be paid online

Taxes on electronically filed one-time transactions (ONETT) may now be paid through any of the following online payment facilities:

1. Landbank of the Philippines (LBP) Link.Biz.Porta – for taxpayers with ATM accounts with the LBP, holders of Bancnet ATM/Debit/Prepaid Card and taxpayers utilizing PesoNet facility;
2. Development Bank of the Philippines (DBP) Pay Tax Online – for holders of Visa/Mastercard, credit card and/or Bancnet ATM/Debit Card; and
3. Union Bank Online Web and Mobile Payment Facility – for taxpayers with accounts with the Union Bank of the Philippines

(Revenue Memorandum Circular No. 125-2021, issued on 16 December 2021)

Glossary

BIR – Bureau Internal Revenue

VAT – Value-Added Tax

Controlling list

Disseminating the FDA updates to the list of VAT-exempt products

The Bureau of Internal Revenue published the Food and Drug Administration (FDA) letter dated 8 November 2021 which provides updates to the “List of VAT-Exempt Products Under R.A. No. 11534.” The letter was attached to Revenue Memorandum Circular (RMC) No. 124-2021 which may be viewed at or downloaded from www.bir.gov.ph.

RMC No. 124-2021 updates and supplements RMC No. 81-2021 which published the consolidated list of VAT-exempt products and is the controlling list insofar as the VAT-exempt items under Sections 109(1)(AA) and 109(1)(BB) of the Tax Code are concerned.

(Revenue Memorandum Circular No. 124-2021, issued on 14 December 2021)

Terminal fee

Clarifying the tax implications of integrating the IPSC at the point of sale

The Bureau of Internal Revenue has issued guidelines to standardize the tax treatment of integrating the Domestic Passenger Service Charge (DPSC) and International Passenger Service Charge (IPSC), commonly referred to as terminal fees, into airline tickets at the point of sale.

The guidelines provide for the financial statement presentation, the manner of recording and breaking down the IPSC, the computations for the 5% creditable withholding value-added tax (CWVAT) and the 2% creditable withholding tax (CWT), and the issuance of official receipts.

Here are some of the guidelines:

A. Collection of IPSC

Domestic Airline Companies shall collect IPSC from passengers and shall include the IPSC in the official receipt to be issued to the latter. The VATable and VAT-exempt components of the IPSC shall be separately reflected in the official receipt. The share of the Airport Authority in the IPSC should be shown in the Airline Company official receipts as part of receipts subject to VAT while the Aviation Security Fee and other fees should be reflected as VAT-exempt. The VAT component of the IPSC should be included in the total VAT.

For International Airline Companies, the collected IPSC shall also be reflected in their official receipts.

The share of the Airport Authority, Aviation Security Fee and other fees should be reflected as VAT-exempt.

The accounts to record the IPSC (share of the Airport Authority, Aviation Security Fee and other fees) may be shown in the financial statements as other income/expense.

B. Remittance of IPSC by Airline Company to Airport Authority

The IPSC collected by the Airline Company shall be paid to the Airport Authority which shall issue an official receipt indicating the full amount of the IPSC (*i.e.*, PHP550 per passenger).

C. Payment of Service Fees by Airport Authority to Airline Company

The service fees paid by the Airport Authority to the Airline Company shall be governed by the rules on government money payments, hence, subject to the 5% CWVAT and 2% CWT. The Airline Company shall issue VAT official receipts.

The service fees shall be treated as other income subject to corporate income tax.

(Revenue Memorandum Circular No. 122-2021, issued on 14 December 2021)

Share capital

Clarifying the tax exemption of interest paid by cooperatives on members' share capital

Under Section 11(a) of the Joint Rules and Regulations Implementing Articles 60, 61 and 144 of the Philippine Cooperative Code (disseminated by Revenue Memorandum Circular No. 12-2010), all cooperative members shall be liable to pay all the necessary taxes except final tax on member's deposits or fixed deposits (otherwise known as share capital) with cooperatives.

In this regard, Bureau of Internal Revenue clarified that members' deposits refers to savings and time deposits of both regular and associate members while share capital refers to members' paid-up capital. Based on Section 11(a) above, members of the cooperative are

not liable to pay any tax and fee on interest earned on their deposits and fixed deposits (share capital). Hence, cooperatives are also not liable to withhold tax on said interest payments.

(Revenue Memorandum Circular No. 121-2021, issued on 14 December 2021)

CREATE IRR updates

Amendments to the IRR of Title XIII – Tax Incentives of the Tax Code

The following provisions of the Implementing Rules and Regulations (IRR) of Title XIII – Tax Incentives of the Tax Code have been amended by the Secretary of Finance and the Secretary of Trade and Industry:

1. Rule 2, Section 4 (Customs Duty Exemption on Importation of Capital Equipment, Raw Materials, Spare Parts, or Accessories)

Original provision	Amended provision
The importation of capital equipment, raw materials, spare parts, and accessories made by RBEs shall be exempt from customs duties, provided, that the following conditions are complied with:	Registered export and domestic market enterprises shall enjoy exemption from customs duties on their importation of capital equipment, raw materials, spare parts, and accessories for their registered project or activity for a maximum period of seventeen (17) years and twelve (12) years from the date of registration, respectively, unless otherwise extended under the SIPP; provided, that the following conditions are complied with.

2. Rule 2 Section 5 (Value-added tax [VAT] zero-rating and exemption)

Original provision	Amended provision
The VAT exemption on importation and VAT zero-rating on local purchases shall only apply to goods and services directly and exclusively used in the registered project or activity of registered	The VAT exemption on importation and VAT zero-rating on local purchases shall only apply to goods and services directly and exclusively used in the registered project or activity of a registered

Glossary

IPA – Investment Promotion Agency
RBE – Registered Business Enterprise
SIPP – Special Investment Priority Plan
VAT – Value-Added Tax

Original provision	Amended provision
export enterprises, during the period of registration of the said registered project or activity with the concerned IPA; Provided, That transactions falling under Section 106(A)(2)(a)(3), (4), and (5) and Section 108(B)(1) and (5) of the Code, as amended, shall be subject to the twelve percent (12%) VAT pursuant to Revenue Regulations No. 9-2021. Provided, further, That excess input taxes attributable to zero-rated sales by VAT-registered RBEs, may at the RBEs option, be refunded or applied for a tax credit, subject to the guidelines provided under Revenue Regulations No. 13-2018, as amended.	export enterprise, for a maximum period of seventeen (17) years from the date of registration, unless otherwise extended under the SIPP. The direct and exclusive use for the registered project or activity refers to raw materials, inventories, supplies, equipment, goods, packaging materials , services, including provision of basic infrastructure, utilities, and maintenance, repair and overhaul of equipment, and other expenditures directly attributable to the registered project or activity without which the registered project or activity cannot be carried out; Provided, that the VAT zero-rating on local purchases shall be granted upon the endorsement of the concerned IPA, in addition to the documentary requirements of the BIR.
The direct and exclusive use in the registered project or activity refers to raw materials, inventories, supplies, equipment, goods, services and other expenditures necessary for the registered project or activity without which the registered project or activity cannot be carried out.	

Glossary

BIR – Bureau of Internal Revenue
 CAI – Certificate of Authority to Import
 FIRB – Fiscal Incentives Review Board
 IPA – Investment Promotion Agency
 ITH – Income Tax Holiday
 RBE – Registered Business Enterprise
 VAT – Value-Added Tax

- Rule 2, Section 8 (Taxation after the expiration of the period of availment of incentives)

The phrase “unless otherwise provided in these Rules” was added to the latter part of the original provision.

- Rule 3, Section 3 (Qualified expansion, entirely new project, or existing registered projects or activities)

Original provision	Amended provision
X X X	X X X
Qualified expansion projects or activities defined under Rule 1, Section 3(U), may be granted an ITH for three (3) years, Provided, That the application for tax incentives for a qualified expansion project or activity shall be approved by the FIRB or concerned IPA, as the case may be, based on the amount of investment capital of the expansion project or activity.	Qualified expansion projects or activities may be granted an ITH for three (3) years followed by the enhanced deductions or SCIT, as applicable. The expansion project or activity may also be entitled to duty exemption, VAT exemption on importation and VAT zero rating on local purchases under Rule 2, Sections 4 and 5, respectively; Provided, That the application for tax incentives for a qualified expansion project or activity shall be approved by the FIRB or concerned IPA, as the case may be, based on the amount of investment capital of the expansion project or activity under Rule 5, Section 1.

- Rule 17, Section 2 (Entitlement to duty exemption on importation of capital equipment, raw materials, spare parts or accessories)

The last phrase “or the transitory period under Section 311 of the Code” was deleted from the original provision.

- Rule 18, Section 5 (Non-income related tax incentives)

Original provision	Amended provision
All registered business enterprises that will continue to avail of their existing tax incentives	All registered export and domestic market enterprises that will continue to avail of

Original provision	Amended provision
subject to Sections 1, 2 and 3 of this Rule, may continue to enjoy the duty exemption until the expiration of the CAI/Admission Entry or until the expiration of the transitory period under Section 311 of the Code. Provided, That the VAT exemption on importation and VAT zero-rating on local purchases shall only apply to goods and services directly and exclusively used in the registered project or activity of the export enterprises during the period of registration of the said registered project or activity with the concerned IPA; Provided, further, That, transactions falling under Section 106(A)(2)(a)(3), (4), and (5) and Section 108(B)(1) and (5) of the Code, as amended, shall be subject to the twelve percent (12%) VAT pursuant to Revenue Regulations No. 9-2021. Provided, finally, That excess input taxes attributable to zero-rated sales by VAT-registered RBEs, may at the RBEs option, be refunded or applied for a tax credit, subject to the guidelines provided under Revenue Regulations No. 13-2018, as amended.	their existing tax incentives subject to Sections 1, 2 and 3 of this Rule, may continue to enjoy the duty exemption, VAT exemption on importation, and VAT zero-rating on local purchases as provided in their respective IPA registrations; Provided, That the duty exemption, VAT exemption on importation, and VAT zero-rating on local purchases shall only apply to goods and services directly attributable to and exclusively used in the registered project or activity of said registered export enterprises located inside the Ecozones and Freeports until the expiration of the transitory period; Provided, further, That importation of capital equipment, spare parts, and accessories by existing export enterprises and domestic market enterprises registered with the BOI prior to the effectivity of the Act shall continue to be subject to duty exemption for a period of five (5) years from date of registration.
After the expiration of the transitory period under Section 311 of the Code and without prejudice to Rule 3 Section 3, all applicable taxes shall apply.	

7. Rule 18, Section 6 (Transitory rules for offshore gaming licensees and accredited service providers)

The following new provision was introduced:

“Notwithstanding the provisions of Republic Act No. 11590, an offshore gaming licensee or an accredited service provider defined under Sections 22(II) and 27(G) of the Code, as amended, duly registered with, and enjoying incentives granted by an IPA under its charter prior to the effectivity of this Act, shall continue to enjoy said incentives until the expiration of the transitory period in Section 311 of the Code, as implemented by Sections 1, 2, and 3 of this Rule, or the expiry of the license or accreditation of the registered enterprise, whichever comes earlier; Provided that, said offshore gaming licensees and accredited service providers shall thereafter be subject to applicable taxes under Republic Act No. 11590 and its implementing rules and regulations.”

(Revenue Memorandum Circular No. 120-2021, issued on 13 December 2021)

Changing form

Availability of revised BIR Form Nos. 1707 and 1707-A

The following BIR Forms have been revised due to the implementation of the CREATE Act:

Form No.	Description
1707	Capital Gains Tax Return (For Onerous Transfer of Shares of Stock Not Traded Through the Local Stock Exchange)
1707-A	Annual Capital Gains Tax Return (For Onerous Transfer of Shares of Stock Not Traded Through the Local Stock Exchange)

The revised manual returns are already available in www.bir.gov.ph. However, they are not yet available in the Electronic Bureau of Internal Revenue Forms (eBIRForms).

(Revenue Memorandum Circular No. 119-2021, issued on 13 December 2021)

Glossary

BIR – Bureau of Internal Revenue
BOI – Board of Investments
IPA – Investment Promotion Agency
RBE – Registered Business Enterprise
VAT – Value-Added Tax

Latest on regulatory landscape

Geotagging

Mandatory geotagging of photos and videos taken by BOC personnel

The Commissioner of Customs has mandated the use of geotagging mobile applications in taking photos and videos using smartphones in the exercise of police authority (to effect search, seizure and arrest) under Republic Act No. 10863 and in the conduct of other customs operations. Geotagging is the process of adding geographical information to various media in the form of metadata which usually consists of coordinates like latitude and longitude.

Geotagging, as a complement of Body-Worn Cameras or Alternative Recording Devices, shall be mandatory under the following instances:

- Approved controlled delivery operation
- Boarding formalities
- Conduct of auction sales
- Destruction or condemnation of goods, including transport
- Electronic Tracking of Containerized Cargo (E-TRACC)-related operations
- Fuel marking operations
- Guarding duty at customs import exit gates for containers/cargoes
- Hot pursuit
- Inspection of consignees' offices
- Non-intrusive examination of goods
- Physical examination of goods within or outside the customs zone
- Search of persons arriving from foreign countries
- Search of Letter of Authority
- Search of vehicles, other carriers, persons and animals
- Search on vessels or aircrafts and persons or goods therein
- Covert and overt operations of the Intelligence Group and Enforcement Group

Only geotagged photos, videos and those recorded by Body-Worn Cameras or Alternative Recording Devices

shall be accepted as proof of conduct of the abovementioned operations. In case of Alternative Recording Devices, the same must be geotagged.

(Customs Memorandum Order No. 37-2021, dated 13 December 2021)

Low ceiling

Maximum interest rates and other fees that may be imposed by LCs and FCs

The Monetary Board approved the prescription of ceilings on the interest rates and other fees charged by Lending Companies (LCs), Financing Companies (FCs) and their Online Lending Platforms (OLPs). However, the ceilings only cover unsecured, general-purpose loans not exceeding PHP10,000 and loan tenor up to four months.

The ceilings are as follows:

1. Nominal interest rate ceiling of 6% per month (0.20% per day);
2. Effective interest rate ceiling of 15% per month (0.50% per day) which shall include the nominal interest rate along with all other applicable fees and charges (e.g., processing, service, notarial, handling and verification fees) but excluding fees and penalties for late payment or non-payment;
3. Cap on penalties for late payment or non-payment at 5% per month on outstanding scheduled amount due; and
4. Total cost cap of 100% of total amount borrowed (applying to all interest, other fees and charges, and penalties) regardless of time that the loan has been outstanding.

The above ceilings shall be subject to periodic review by the Bangko Sentral ng Pilipinas, in consultation with the Securities and Exchange Commission (SEC) and the industry. In this regard, the SEC shall submit a report on compliance of the LCs, FCs and their OLPs and a yearly comprehensive impact evaluation report on the effectiveness of the ceilings.

(BSP Circular No. 1133, dated 22 December 2021)

Glossary

BOC – Bureau of Customs

Meet us

Alex Cabrera talks on strengthening ties to reduce disaster risks during pandemic



PwC Philippines Chairman Emeritus and ESG Leader Alex Cabrera, as Vice Chair of ARISE Philippines, spoke on the importance of public and private partnership in implementing disaster risk reduction (DRR) management.



ARISE-Philippines, in cooperation with SM Holdings, Inc. and the National Resilience Council (NRC), presented the 2021 Top Leaders Forum on 6 December 2021 via Zoom platform with the theme, “Ensuring continuity of private sector engagement for effective risk governance given new risks due to the pandemic, impacts of climate change and economic outlook.”

- Keynote speaker, Ms. Mami Mizutori, Special Representative of the UN Secretary General for Disaster Risk Reduction and Head of United

Nations Office for Disaster Risk Reduction presented the challenges in disaster risk governance and the impact of climate change amid the pandemic.

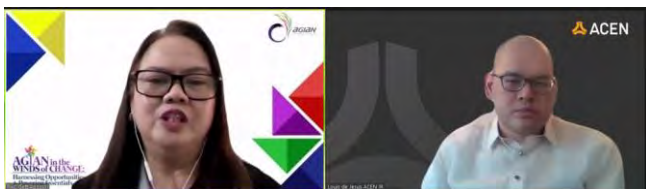
- Other speakers from the government and education sectors were USec. Ricardo Jalad of National Disaster Risk Reduction and Management Council, Finance ASec Paola Alvarez and Ateneo de Manila University Professor Dr. Fernando T. Aldaba.
- Panel reactors include Management Association of the Philippines (MAP) President Alfredo Pascual, Employers Confederation of the Philippines (ECOP) Governor Arturo C. Guerrero III, and Philippine Chamber of Commerce and Industry (PCCI) Chairman Ma. Alegria S. Limjoco.
- ARISE Philippines Co-Chairman Hans Sy, in his welcome remarks, presented the role of the private sector in disaster risk governance.
- NRC President Ms. Antonia Yulo Loyzaga provided the synthesis while ARISE Co-Chair VAdm. Alexander Pama shared the next steps to be undertaken.
- Alex Cabrera underscored the need to strengthen the network of government agencies and the private sector, under the guidance of the UN's governance framework, to bring disaster risk reduction aspirations to life, in this most difficult of times.

ARISE - Philippines is a Local Network of ARISE (the Private Sector Alliance for Disaster Resilient Societies). ARISE is a United Nations Office for Disaster Risk Reduction (UNDRR) - led network of private sector entities whose members voluntarily commit to support and implement the Sendai Framework, aligned with the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs), Paris Climate Agreement, New Urban Agenda and Agenda for Humanity.

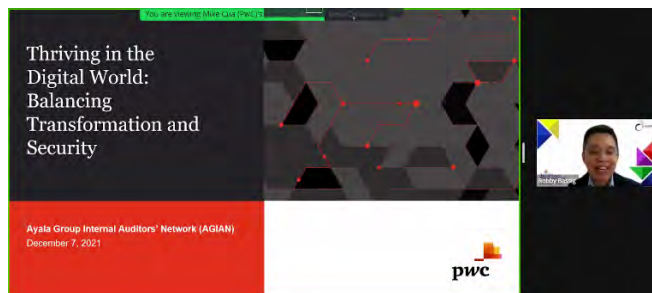
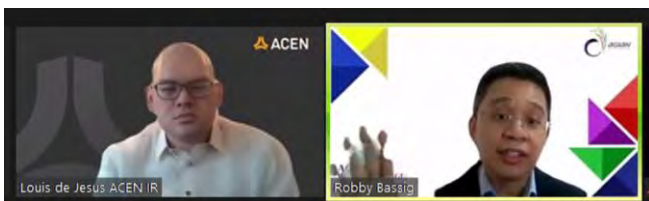
Participants both from the government and private sector attended the event that was also streamed live on ARISE Philippines' Facebook account. Watch the replay here: <https://fb.watch/9RyXLOfiyf/>.

Gett Apostol, Robby Bassig upskill Ayala Group's internal auditors

The Ayala Group PwC Philippines Broader Assurance Services (BAS) Leader Gett Apostol and Lead Consulting Partner Robby Bassig were among the resource speakers at the 2021 AGIAN (Ayala Group Internal Auditors' Network) Conference, with the theme "AGIAN in the Winds of Change: Harnessing Opportunities and Powering Essentials."



Both Gett and Robby were in separate breakout sessions during Day 2 (7 December). Gett's session was "Acing your next quality assurance review," which was aimed to equip Chief Audit Executives (CAE) and internal auditors with the necessary preparations ahead of the external quality assurance review (EQAR) and suggest benchmark metrics to be consistently adopted, to be always ready for any kind of quality assurance review.



Robby's area was "Thriving in the digital world: Balancing transformation and security." As the working from home set-up became prevalent, Robby discussed and evaluated how digitalization impacts security—how to keep up with the innovation that digitalization brings while ensuring that critical processes are secure from unwanted exploitations.

The hybrid event, hosted by AC Energy Corporation, had 60 participants on site at the Tower One & Exchange Plaza at the Ayala Triangle, Makati CBD while over 250 auditors attended via Zoom.

PwC Philippines advises Kalinisan Chemicals Corporation on acquisition deal

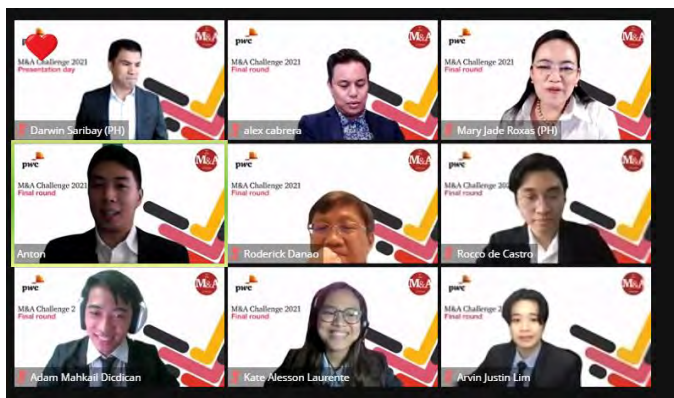
PwC Philippines congratulates Kalinisan Chemicals Corporation and Kersia on the signing of an exclusive agreement for Kersia to acquire the majority stake in Kalinisan Chemicals Corporation. PwC Philippines' Deals and Corporate Finance Team acted as Kalinisan's exclusive financial advisor.

Kalinisan Chemicals Corporation, based in Manila, is a Filipino company which manufactures and commercializes cleaning and sanitation solutions (disinfectants and sanitizers, kitchen hygiene products, industrial detergent, and consumer products) to the Food Service and Food and Beverage (F&B) market.

Kersia is a global leader in food safety, with 1,900 employees and presence in 120 countries. With this important combination, Kersia makes Kalinisan a key pillar of its South-East Asia strategy for complementary global best practice in Farm to Fork food hygiene.

Please see the official press release [here](#).

UP-Diliman, USC and UE Manila reign in the sixth PwC Philippines M&A Challenge



The PwC Philippines Mergers and Acquisitions (M&A) Challenge continues to be a platform for university students to exercise and expand their skills in solving real-world business challenges which reflect the current situation.

In line with PwC's new global strategy, The New Equation, 79 teams from a record-high of 49 different colleges and universities were tasked to help a hypothetical private equity client develop sustained outcomes in their businesses through M&A transactions. Each team built their business case focusing on creating value while addressing sustainability challenges through Environmental, Social & Governance (ESG) initiatives. Finalists for this year's competition came from across Luzon, Visayas and Mindanao.

Judges for the competition, which was conducted virtually on 16 December, were:

- Philippine Competition Commission (PCC) Economics Director Benjamin Radoc, Jr.
- Climate Action & Sustainability Alliance (CASA) Convenor-Chair Dr. Corazon Claudio
- PwC Philippines Chairman and Senior Partner Roderick Danao
- PwC Philippines Chairman Emeritus and ESG Leader Alex Cabrera
- PwC Philippines Deals and Corporate Finance Managing Partner Mary Jade Divinagracia



Team Godfather UPer from the University of the Philippines (UP) Diliman kept the university's record with their back-to-back win. As champions, they went home with a trophy, PHP100,000 cash prize plus another PHP25,000 for their university, and an internship opportunity in the firm's Deals and Corporate Finance Department in 2022.

Joining them in the podium were Team KAJA from University of San Carlos (USC) and Team Marbles from the University of the East (UE) Manila who finished as first and second runners-up, respectively. The other finalist teams were Team Aurora from Ateneo de Davao University, Team OG from Ateneo de Manila University and Team SadBoiz from University of Asia and the Pacific.

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 Emeritus
ESG Business Leader
T: +63 (2) 8459 2002
alex.cabrera@pwc.com



Malou P. Lim
Vice Chairman
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



Brando C. Cabalsi
Tax Partner
T: +63 (2) 8459 3060
brando.cabalsi@pwc.com



Mary Jean Balboa
Tax Partner
T: +63 (2) 8459 2025
mary.jean.c.balboa@pwc.com

For accounting matters



Gina S. Detera
Assurance Partner
T: +63 (2) 8459 3063



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

www.pwc.com/ph

© 2021 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 155 countries with over 284,000 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.

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.