

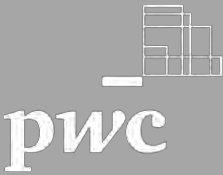


PwC Philippines partners with the Knowledge Channel on educational initiatives

# Client Advisory Letter

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First SIPP<sup>p7</sup> | Franchise affair<sup>p8</sup>**

May 2022



# At a glance

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clarifications on selected topics

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# Taxes, compliance matters, assessments, and refunds

## Bank accounting

### Manner of allocating costs and expenses in banks and financial institutions

The Supreme Court declared as void Revenue Regulations (RR) No. 4-2011 which prescribes the manner by which banks and other financial institutions should allocate costs and expenses among income earnings for income tax reporting purposes.

According to the Supreme Court, RR No. 4-2011 is void for the following reasons:

- The BIR expanded or modified the law when it restricted the income tax deductions of banks and when it prescribed the accounting method that banks should use. This was tantamount to tax legislation which is within the exclusive authority of the legislature.
  - RR No. 4-2011 contravenes Section 43 of the Tax Code which allows taxpayers to self-determine the most applicable accounting method. In this regard, the Commissioner of Internal Revenue (CIR) may only prescribe an accounting method if:
    - a. No accounting method has been employed by the taxpayer; or
    - b. The accounting method employed does not clearly reflect income.
  - RR No. 4-2011 unduly expands Section 50 of the Tax Code which authorizes the CIR to distribute, apportion or allocate gross income or deductions only if such is necessary to prevent tax evasion or to clearly reflect income. However, there was no evidence presented by the CIR to support the existence of either of these conditions that would have justified the allocation prescribed by RR No. 4-2011.
  - Section 50 of the Tax Code only applies to the allocation of expenses between two or more organizations, trades, or businesses. However, RR No. 4-2011 provides for an allocation method for different units or income streams in one bank or financial institution.
- RR No. 4-2011 impairs the right to claim deductions under Section 34 of the Tax Code. All expenses are considered deductible directly and fully without any allocation or attribution between or among different income streams. In the same trade or business unit, there is no requirement to allocate common expenses to income subject to final withholding tax or tax-exempt income.
  - RR No. 4-2011 violates the right to due process because the requirements of notice, hearing and publication were not strictly observed by the BIR.

(G.R. Nos. 240163 & 240168-69, promulgated 1 December 2021)

## LOA alternative

### A Revalidation/Reassignment Notice may validly designate new revenue officers

A Revalidation/Reassignment Notice constitutes sufficient authorization for a revenue officer to continue the conduct of a tax audit if it contains all of the essential details of a Letter of Authority (LOA), namely:

- a. It is particularly addressed to the taxpayer;
- b. The revenue officers authorized to examine the books and other accounting records are specifically named;
- c. All internal revenue taxes are covered by the examination; and
- d. It is signed by the Regional Director.

According to the CTA, the above conclusion is supported by Revenue Audit Memorandum Order No. 1-2000 which provides that revalidation is done by issuing a new LOA or by just simply stamping the words “Revalidated on \_\_\_\_\_” on the face of the copy of the LOA issued.

(CTA EB No. 2348, promulgated 23 May 2022)

## Glossary

BIR – Bureau of Internal Revenue

CTA – Court of Tax Appeals

## Proprietary activity

### Taxation of proceeds from TIEZA's public bidding and sale of real properties

A taxpayer won the bid to acquire certain real properties from the Tourism Infrastructure and Enterprise Zone Authority (TIEZA). The purchase price was not subjected to the 6% creditable withholding tax (CWT) because the taxpayer believed that TIEZA was exempt from income tax under RA No. 9593.

Nevertheless, the taxpayer was constrained to withhold and remit the 6% CWT amounting to ₱100m, inclusive of interest, surcharge and compromise penalty, in order to avoid delay in the issuance of the related Certificates Authorizing Registration. Afterwards, it filed a claim for refund of the 6% CWT on the ground that the remittance was erroneous and illegal.

The CTA ruled that the taxpayer was entitled to the CWT refund based on RA No. 9593 which exempts the TIEZA from the payment of corporate income tax. According to the CTA, RA No. 9593 and its implementing rules and regulations make no distinction as to whether TIEZA's income was derived from governmental or from proprietary activities. Therefore, the taxpayer was not obliged to withhold CWT.

(CTA Case No. 10251, promulgated 16 May 2022)

## Clerical error

### CTW certificates with wrong TIN of the payee may still be appreciated by the CTA

In claims for refund of unutilized creditable withholding taxes (CWT), one of the three essential conditions for their grant is the presentation of the withholding tax certificates issued by the payor-withholding agents showing the amount paid and the CWT withheld.

In a claim for refund of unutilized CWT, the taxpayer-claimant presented to the CTA the supporting original CWT certificates (BIR Form No. 2307). However, some of these CWT Certificates that were reissued by the same withholding agent reflected the wrong Taxpayer Identification Number (TIN) of the taxpayer-claimant.

Citing the following reasons, the CTA ruled in favor of the taxpayer-claimant and considered the subject CWT certificates as competent proof of the fact that the CWT was withheld:

- Applying the Supreme Court decision in BPI Family Savings Bank, Inc. vs. Court of Appeals (G.R. No. 122480), CTA proceedings are not governed strictly by the technical rules of evidence.
- The CTA was convinced by the taxpayer-claimant's supporting documents that the TIN shown in the concerned CWT certificates were mere typographical errors.
- The BIR failed to object to the CWT certificates attached to the Motion for Partial Reconsideration.
- The CWT certificates constitute evidence crucial to arrive at a just determination of the case.

(CTA Case No. 9803, promulgated 11 May 2022)

## Separation anxiety

### Taxation of redundancy pay that was computed under Retirement Plan rules

An employee was terminated due to redundancy and was given the following severance package:

- a. Separation pays of 1.5 months for every year of service;
- b. Pro-rated 13<sup>th</sup> and 14<sup>th</sup> month pay; and
- c. Other accrued salaries and wages, which may include Retirement Plan benefits, subject to the vesting period and calculated as per plan rules.

As part of the severance package, the employer gave the employee separation pay and "retirement pay". Since the employee was just 46 years old at the time of termination, the "retirement pay" was subjected by the employer to withholding tax on compensation (WTC).

Subsequently, the employee filed with the BIR a claim for refund of said WTC on the ground of erroneous withholding and remittance by the employer, considering that the separation pay and retirement pay she received was a consequence of redundancy, not retirement.

The CTA granted the claim for refund because it was undisputed that the employee was terminated from employment due to redundancy. Therefore, the separation benefits received by the employee as a result are exempt from income tax. Although the separation pay was computed in accordance with the Retirement Plan rules, it was a mistake for the employer to consider

### Glossary

BIR – Bureau of Internal Revenue

CTA – Court of Tax Appeals

CWT – Creditable Withholding Tax

RA – Republic Act

the separation benefit as “retirement pay” subject to WTC.

(CTA EB No. 2400, promulgated 5 May 2022)

## Elderly care

### Guidelines in availing SC and PwD privileges on online and phone purchases

The BIR disseminated the Guidelines on the Provision of the Mandatory Statutory Benefits and Privileges of Senior Citizens (SCs) and Persons with Disabilities (PwDs) on Their Purchases Through Online (E-Commerce) and Phone Call/SMS. The guidelines were issued under Joint Memorandum Circular (JMC) No. 1-2022 signed by the DTI, DSWD, National Commission of Senior Citizens, National Council on Disability Affairs, DOH, DILG and BIR. Here are its salient features:

- The guidelines apply to all persons, natural or juridical, whether registered or not, engaged in the sale of goods and services using the open network or internet.
- SCs and PwDs have the following privileges:

Privilege	Goods and Services	SC	PwD
20% discount and VAT exemption	Medicines and medical supplies subject to DOH AO No. 2012-7	√	√
	Professional fees of attending physicians in all private hospitals, medical facilities, outpatient clinics and home health care services	√	√
	Professional fees of licensed professional health providing home health care services	√	√
	Medical and dental services, diagnostic and laboratory fees in all private hospitals, medical facilities, outpatient clinics and home health care services	√	√
	Actual fare for land transportation travel in public utilities	√	√
	Utilization of services in hotels and similar lodging establishments, restaurants and recreation centers	√	√
20% discount	Admission fees charged by theaters, cinema houses and	√	√

Privilege	Goods and Services	SC	PwD
and VAT exemption	concert halls, circuses, leisure and amusement		
	Foods, drinks, desserts and other consumable food items	√	√
	Funeral and burial services	√	√
5% special discount	Basic necessities (to determine coverage, see JMC No. 1-2022)	√	√
	Prime commodities (to determine coverage, see JMC No. 1-2022)	√	√

- In case of promotional discount, the SC/PwD can choose between the promotional discount (as permitted by the DOH, DTI or other appropriate government agency), or the 20% discount/VAT exemption or 5% special discount, whichever is higher or more favorable.
- If the buyer is both an SC and a PwD, he or she shall be entitled to only one 20% discount with VAT exemption or 5% special discount, whichever is applicable.
- The total amount of offline and online purchases per calendar week shall not exceed ₱1,300.00, without carry-over of the unused amount. Medicine purchases, however, are not covered by this limitation.
- In group meal purchases, the 20% discount shall be based on the amount corresponding to the most expensive and biggest single serving meal with beverage served in a quick service restaurant.
- In case of multiple SCs/PwDs on one transaction, they are required to inform the business establishment of such fact in order to grant their individual discounts. In such case, the total bill shall

### Glossary

AO – Administrative Order
BIR – Bureau of Internal Revenue
DILG – Department of Interior and Local Government
DOH – Department of Health
DSWD – Department of Social Welfare and Development
DTI – Department of Trade and Industry
VAT – Value-Added Tax

be divided according to the number of persons to determine actual consumption.

- The discount shall be observed regardless of who is the source of payment or mode of payment.
- E-Commerce purchases via internet or online platform

- Before placing an order, the SC/PwD must declare to the online platform/merchant that he or she is an SC/PwD. Upon confirmation of order, a scanned copy, screenshot or image of the SC/PwD ID must be attached or provided.

For purchase of medicines, copies of the medical prescription, and the front and last entry pages of the purchase booklet should be attached. For purchases of basic necessities and prime commodities, the front and last entry pages of the purchase booklet should be attached.

- Upon delivery of goods or performance of service, the original copy of the proof of entitlement should be presented.
- The platform or merchant may charge the full price of the goods or service if the SC/PwD ID or any government ID, as proof of entitlement, is not presented.
- Purchase via telephone or mobile phone call
  - Upon placement of order, the SC/PwD must provide his or her name, date of birth and ID number as proof of entitlement to discount.
  - The business establishment shall exert efforts and ask the customer if he or she is an SC or PwD.
  - Upon delivery, the SC/PwD must present his or her proof of entitlement.
  - The business establishment may charge the full price of the goods or service if the SC/PwD ID or any government ID, as proof of entitlement, is not presented.
- The SC/PwD can authorize any person through an authorization letter duly signed by the SC/PwD.
  - Online merchants shall verify the information presented to establish the relationship of the authorized representative to the SC/PwD.

- Before claiming or paying for the goods or services, the authorized representative must present the following:

Documents	Medicine / Medical supplies	Food, drinks, desserts, and other consumables	Basic necessities and prime commodities
OSCA/PwD ID or any government ID that may establish circumstance as SC/PwD	√	√	√
SC/PwD Purchase booklet	√	√	√
Authorization letter	√	√	√
ID of representative	√	√	√
Medical prescription	√	-	-

Business establishments have the right to refuse release of the goods if one of the above documents is not presented.

- If the PwD is a minor, the parent or guardian shall be the automatic representative without need of an authorization letter. However, identity and relationship should be established.
- Business establishments have the right to block or suspend the account or name in case of abuse, misrepresentation, falsification, or any other unlawful act.
- Businesses may reconfigure their business and delivery system, websites, or applications to have a provision that will allow SCs and PwDs to avail of the statutory discount.

(Revenue Memorandum Circular No. 71-2022, issued on 18 May 2022)

## Glossary

OSCA – Office of the Senior Citizens' Affairs  
PwD – Persons with Disability  
SC – Senior Citizen

# Latest on regulatory landscape

## Listing rules

### Rules on initial listing through preferred shares offering

The salient provisions of the Rules on Initial Listing through a Preferred Shares Offering are as follows:

1. Offer size should be at least ₱1bn or 20% of market capitalization of preferred shares applied for listing, whichever is higher.
2. Upon listing, the applicant should have at least 1,000 stockholders, each owning at least 1 board lot, whether it is listing on the Main Board or on the Small, Medium and Emerging (SME) Board. After listing, the listed company shall be subject to the 20% public float requirement.
3. The 180-day/365-day lock-up in the Consolidated Listing and Disclosure Rules for Main Board listing and SME Board listing will not apply.

However, preferred shares and instruments entitling the holder to the issuance of preferred shares issued and fully paid within 180 days before the initial public offering (IPO) at a price lower than the IPO price shall be locked up for 365 days from full payment.

4. If the applicant has outstanding common shares which are listed, the same will not be covered by the lock-up rule.
5. The offer period for Local Small Investors shall be 3 days.
6. Companies required by law or regulation to list and/or offer their shares to the public cannot list through this mode of initial listing. A company that lists under this Rule also cannot list by way of introduction.

(PSE Memorandum No. 2022-0023, dated 24 May 2022)

## First SIPP

### Approval and issuance of the 2022 Strategic Investment Priority Plan

On 24 May 2022, the President approved the 2022 Strategic Investment Priority Plan (SIPP) which is necessary in determining the duration of availment of tax incentives under Republic Act No. 11534 ("CREATE

Act"), depending on the activity of a registered business enterprise.

Here are the tiers and respective activities under the 2022 SIPP:

#### Tier I

All activities listed in the 2020 Investment Priorities Plan unless listed under Tier II or Tier III

#### Tier II

##### 1. Green Ecosystems

- Electric vehicle (EV) assembly, manufacture of EV parts, components and systems, establishment and operation of EV infrastructure
- Manufacture of energy efficient maritime vessels and equipment
- Electronic devices and circuits for smart grid and renewable energy
- Bioplastics and biopolymers
- Renewable energy
- Energy efficiency and conservation projects
- Energy storage technologies
- Integrated waste management, disposal and recycling

##### 2. Health related activities

- Manufacturing in support of the Vaccine Self-Reliance Program or other government programs
- Medicines
- Active pharmaceutical ingredients
- Specialty hospitals

##### 3. Defense related activities

##### 4. Industrial value-chain gaps

- Steel, textiles, chemicals, green metals processing, crude oil refining and lab-scale wafer fabrication

##### 5. Food security related activities



- Integrated food production and processing activities
- production and/or adoption of hybrid seeds
- manufacture of animal vaccine, pesticides and fertilizers
- agricultural and fisheries machinery, equipment and parts

### Tier III

1. Research & development (R&D) and activities adopting advanced digital production technologies of the fourth industrial revolution
2. Highly technical manufacturing and production of innovative products and services
3. Establishment of innovation support facilities

Pursuant to Section 302 of the Tax Code, additional activities that comply with Section 296 can qualify under Tiers II and III, provided, that the additional activities under Tier III are duly endorsed by relevant agencies such as the DOST.

(Memorandum Order No. 61, dated 24 May 2022)

## Franchise affair

### Strengthening the Franchising Industry for the Protection of MSMEs

In light of statistics showing that 99.50% of businesses in the Philippines are Micro, Small and Medium Enterprises (MSMEs) and that 68% thereof are into franchising, the President ordered the following in relation to MSMEs-franchisees:

- Minimum terms and conditions of a Franchise Agreement
  - a. Name and description of the products or services under the franchise;
  - b. Specific rights granted to the MSME franchisee such as intellectual property rights duly registered with the Intellectual Property Office of the Philippines;
  - c. Full disclosure of any pre-signing, initiator recurring fees, such as franchise fee, promotion

fee, royalty fee or any related type of which may be imposed on the MSME franchisee;

- d. Detailed responsibilities of the franchisor, which shall include the enumeration of the types and particulars of assistance and the submission of the franchise agreement to the DTI;
- e. Detailed responsibilities of the MSME franchisee;
- f. Non-discrimination provisions;
- g. Duration of the franchise and the terms and conditions for renewal;
- h. Effects of and grounds for pre-termination, termination or expiration of the franchise agreement;
- i. Provision on "cooling off" period where the MSME is given the option to terminate the agreement;
- j. Mechanism for dispute resolution which shall include a stipulation that parties may seek voluntary mediation under RA No. 9285 or the "Alternative Dispute Resolution Act of 2004"; and
- k. Remedies of the parties in case of any violation of the terms and conditions of the franchise agreement.

Compliance with the foregoing may entitle the franchisor to benefits and incentives

- Registration of Franchise Agreements
  - Franchisors shall be responsible for registering their franchise agreements with the DTI.
  - Franchisors that are not members of any duly registered franchise associations shall register their franchise agreements within 30 days from execution thereof.
- Franchisors are encouraged to join duly registered franchise associations while MSMEs intending to undertake franchising are encouraged to transact with franchisors belonging to franchise associations.
- Upon renewal of their franchise agreements, franchisors with existing franchise agreements with MSMEs shall comply with the minimum terms and conditions of franchise agreements and with the requirement to register the same.

(Executive Order No. 169, dated 12 May 2022)

### Glossary

DOST – Department of Science and Technology

DTI – Department of Trade and Industry

RA – Republic Act



## Tariff rates

### Temporarily reducing the import duty rates on corn, coal, rice and meat of swine

The increase in prices of oil products, corn and fertilizers due to the Russia-Ukraine conflict has caused a sharp increase in the domestic prices of basic commodities and energy. In this light, the President extended the effectivity of the Most Favoured Nation (MFN) tariff rates on imported fresh, chilled or frozen meat of swine (In-Quota – 15% / Out-Quota – 25%); and on imported rice (35%) until 31 December 2022.

The President also imposed the MFN tariff rates on imported corn (In-Quota – 5% / Out-Quota – 15%); and coal, briquettes, ovoids and similar solid fuels manufactured from coal (0%) until 31 December 2022.

(Executive Order No. 171, dated 21 May 2022)

## FX derivatives

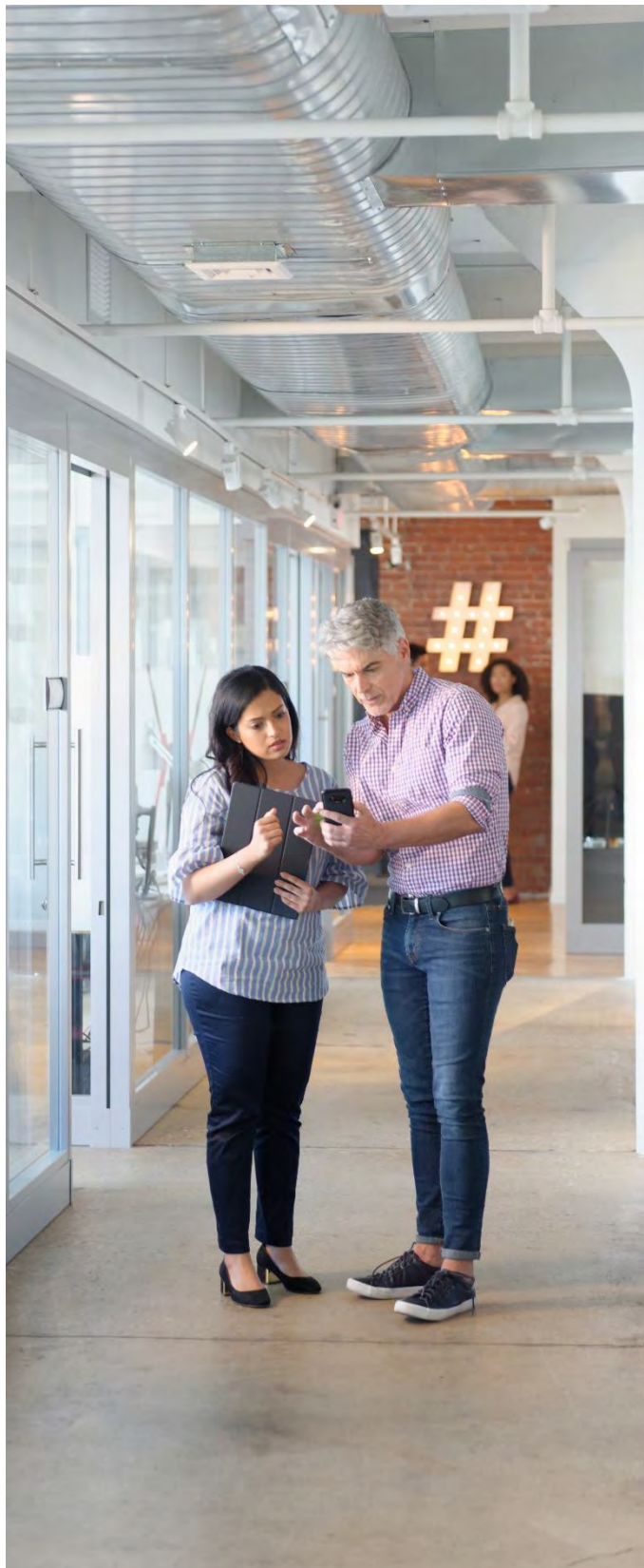
### Investment governance framework for foreign exchange derivatives transactions

The President directed all non-bank government entities to formulate investment governance frameworks for foreign exchange (FX) derivatives transactions. Accordingly, the following have been ordered:

- The Department of Finance (DOF) shall oversee FX derivatives activities of all non-bank government entities, including government-owned or -controlled corporations.
- All covered entities shall formulate their respective Investment Governance Frameworks to be approved by the Board of Directors or Trustees or Agency Head, as the case may be. At the very least, the following should be included: risk management; qualifications of treasury professionals; operations; controls; and accounting and reporting procedures.
- At the end of each quarter, all covered entities shall submit to the DOF a report on FX derivatives outstanding, a mark-to-market valuation report and such other reports as may be required.
- Within 60 days from the effectivity of Administrative Order (AO) No. 48, the Secretary of Finance shall promulgate implementing guidelines which shall include the content of the Investment Governance Frameworks.
- Covered entities that have executive FX derivatives transactions prior to AO No. 48 have 45 days from

the issuance of the implementing guidelines to submit their Investment Governance Frameworks and other required reports.

(Administrative Order No. 48, dated 24 May 2022)



# Meet us

## #PwCProud



We are pleased to announce that 16 of our PwC Professionals are now Lawyers and CPA Lawyers, after successfully passing the February 2022 Bar Examination. They gave the firm a 100% passing rate.

Four of them passed with Exemplary Performance.

## PwC Philippines partners anew with Asia CEO Awards



After two years, the Asia CEO Awards held its official media launch, face to face, on 5 May 2022 at the Marriott Hotel Manila.

For seven consecutive years, PwC Philippines continues its knowledge partnership with Asia CEO Awards.

[Asia CEO Awards](https://www.asia-ceo-awards.org/nominations) recognizes the outstanding leadership achievements by individuals and organizations in the Philippines. The Board of Judges will present elite awards to the most accomplished organizations and managers currently active in the region.

To nominate, simply fill out the form at [www.asia-ceo-awards.org/nominations](https://www.asia-ceo-awards.org/nominations). Nominations must be received by 15 August 2022.

## Global Trust Partners names Gina Detera to its Board



PwC Philippines Assurance Partner Gina Detera joins the Global Trust Partners (GTP) Board starting in October 2022 to serve on its Finance and Audit Committee.

"After months of consulting our board matrix to ensure that we

have the right mix of people on the board and following our board selection and interview process, I am pleased to announce the unanimous appointment of two new board members," writes Randy Kung, GTP's Board Secretary, in its Journal Entry e-newsletter.

Described by Kung as "a skilled chartered accountant with a passion to advance accountability and transparency in Southeast Asia," Gina feels blessed to be given this opportunity to represent the firm and serve God and His ministry.

Former assurance partner Anjji Gabriel, who has been serving GTP as Southeast Asia Facilitator, recommended her for the position.

[Global Trust Partners](https://www.globaltrustpartners.org) is an international charity organization that empowers national church and ministry workers to build trust and to grow local generous giving to God's work.



## PwC Philippines partners with the Knowledge Channel on educational initiatives



L-R: Edric Calma, Rick Danao, Rina Lopez, Alex Cabrera

On 20 May 2022, Isla Lipana & Co./PwC Philippines through its corporate responsibility arm, Isla Lipana & Co. Foundation, Inc. (ILCFI) signed a Memorandum of Agreement (MOA) with Knowledge Channel Foundation Inc. (KCFI) that involves the firm's projects on education.

KCFI is a non-stock, non-profit organization that operates the "Knowledge Channel," a fully educative transmedia, which develops and acquires multimedia learning resources for on-air, online and offline broadcast for preschool and basic education.



L-R: Edric Calma, Rick Danao, Rina Lopez, Alex Cabrera, Liberty Reyes and Aldie Garcia.

As media partner, KCFI will help promote and activate the firm's **Our Values Photo-story Contest**, which is centered on Filipino values and the importance of education.

Under the agreement, the firm's **Values Photo-story Teacher's Guides** will be included in the Knowledge Channel Portable Media Library (KCPML), once evaluated and approved by KCFI.

The MOA signing was attended by PwC Philippines Chairman and Senior Partner Roderick Danao, PwC Philippines Chairman Emeritus and ILCFI President & Chairman Alex Cabrera, KCFI President and Executive Director Rina Lopez, PwC Philippines Assurance Partner and ILCFI Trustee Aldie Garcia, KCFI Director of Operations Edric Calma, PwC Philippines Assurance and ILCFI Executive Director Allan Cao, and KCFI Resource Mobilization Manager Liberty Reyes.

PwC Philippines Learning & Development Director Ron Melendres hosted the event held in Makati City.

## PwC leaders share insights on integrating ESG into corporate strategies



From top right, clockwise: Alex Cabrera, Andrew Chan, Antonia Loyzaga, Vincent Kneefel

Two PwC leaders joined experts in the forum "Integrating ESG in the Way We Do Business" during the 19 May general membership meeting of the Management Association of the Philippines (MAP), via Zoom.



Andrew Chan

**PwC Asia Pacific Leader in ESG Andrew Chan** from PwC Malaysia was a featured speaker while **PwC Philippines Chairman Emeritus & ESG Leader and MAP Governor Alex Cabrera** was the moderator.

Andrew, who is also PwC Malaysia's SEA Sustainability & Climate Change Leader, shared the Net Zero commitments and ESG financial performance from PwC's Asia Pacific CEO survey results, PwC's Corporate Responsibility Framework and Malaysian companies that link performance metrics to sustainability strategies.

Vincent Kneefel, Circular Economy Director of Plastic Credit Exchange (PCX) presented how PCX is doing its share in the reuse and recycle of plastic wastes that would otherwise end up in landfills, incinerators or into the ecosystem through leakages.

National Resilience Council President Antonia Loyzaga discussed the most severe risks on a global scale over the next ten years. One of the highlights of her presentation was the introduction of resilience (R) to the ESG agenda: Where we need to be, what we value in terms of risk reduction, and the challenges and ways to move forward in integrating ESGR.

During Q&A, Alex asked the speakers about companies' metrics on ESG policies, legislating the adoption of ESG in companies' supply chain policies, advocacies, and government's participation in sustainability and Net Zero commitments. In closing the event, he said that ESG is the closest thing to making a corporation feel like a human being — the term juridical person is almost equivalent to juridical being.

MAP President Fred Pascual welcomed MAP members and guests while Gigi Montinola inducted new members.

The two-hour event hosted by Ms. Agnes Gervacio was simulcast and recorded on [YouTube](#) and [Facebook Live](#).

## Aldie Garcia speaks on the future of accounting to future accountants



On 21 May, PwC Philippines Assurance Managing Partner Aldie Garcia was a speaker at the Plenary event of EXCEED2022 Accounting Convention organized by the De La Salle University Manila - Junior Philippine Institute of Accountants. Accountancy students nationwide attended the event.

Aldie talked about the future of accounting. He joined representatives from the country's top accounting firms in discussing the firms' transformation, the adaptivity of businesses and the resiliency of the accounting field by managing through unanticipated changes brought about by the COVID-19 pandemic.

The Plenary event launched EXCEED2022, one of the biggest accounting conventions in the country. With the theme "Recalibrating the Norm: Augmenting Integrity and Business Synergy", the convention also featured simultaneous classes and a symposium.



## BPO practitioners learn about WFH labor matters from Alex Cabrera



PwC Philippines Chairman Emeritus and ESG Leader **Alex Cabrera** was the main speaker of “Work from Home Labor Regulations and Tax Implications”, the second information session of the Healthcare Information Management Association of the Philippines (HIMAP) held on 27 May 2022 via Zoom.

Alex discussed the prohibition of PEZA-registered enterprises under the PEZA and CREATE Laws, the Telecommuting Act and the authority of the Fiscal Incentives and Regulatory Board. He also highlighted the Department of Finance’s proposed tax measures to address the massive debt incurred during the pandemic.



The other speaker was Labor and Employment Officer II Pauli Andrenette Grace Ong of the Department of Labor and Employment. She presented the labor aspects of the work from home implementation. Concentrix’s APAC Regional General Counsel and VP for Government & Regulatory Affairs, Atty. Mike Montero, was a guest panelist.

Celeste Ilagan, Chief Policy and Regulatory Affairs Officer of the IT & Business Process Association of the

Philippines (IBPAP), as moderator, joined the speakers for an in-depth conversation.

For his takeaway, Alex reminded the importance of the bundle of sticks principle, or solidarity — one mind, one voice — without which, they can be picked out, one by one.

HIMAP VP Gail Macapagal welcomed the 200 participants while HIMAP President Vincent Remo gave the closing remarks.

Click this [link](#) to watch the session.

## Gett Apostol, Aldie Garcia headline PICPA MM Regional Forum

Our partners were featured in the 2022 PICPA MMR Regional Forum held from 26 to 28 May 2022 at the Clark Marriott Hotel, Clark Freeport Zone, Pampanga.

The PICPA Metro Manila Region (MMR) and MMR Geographical Area Office (GAO) organized the event with PwC Philippines as one of the co-presenters.



PwC Philippines Broader Assurance Services Leader, and PICPA MMR Chair **Geraldine Apostol** welcomed the delegates to the Forum that focused on innovation and advancements in businesses at the Clark Freeport Zone and New Clark Airport, the Economic Outlook under the New Administration, and the State of the Workforce.

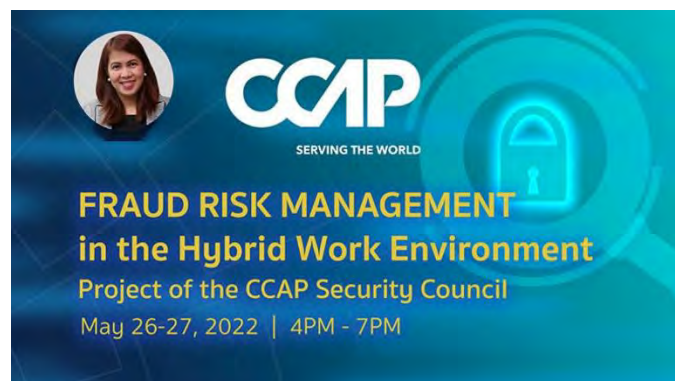


PwC Philippines Assurance Managing Partner **Aldie Garcia** was the speaker for Technical Session 4 on 27 May. His presentation, "Our Challenges and Adjustments as We Embrace the Flexible Workplace Arrangement", was well-received by the audience.

He shared key findings from the newly launched PwC's Global Workforce Hopes and Fears survey of 52,195 workers in 44 countries and territories — one of the largest ever surveys of the global workforce. (See banner story above for details.)

This year's Regional Forum allowed delegates a refreshing face-to-face learning experience after going through countless webinars and virtual learnings in the past two years. It was also designed to give more time for networking activities. (Photos courtesy of [Picpa Emmc Facebook page](#).)

## Rosell Gomez discusses fraud risk management for CCAP



PwC Philippines Partner and Risk Assurance Leader **Maria Rosell Gomez** was the featured speaker for Day 1 (26 May 2022) of the "Fraud Risk Management in the Hybrid Work Environment" webinar held on 26 May.

The Contact Center Association of the Philippines (CCAP), through its Security Council, organized the two-day webinar.

Rosell's presentation covered the benefits and challenges of hybrid working, navigating fraud risks in a hybrid work arrangement (including fraud risk management framework), and the factors to consider in managing fraud risk.

She then joined the panel discussion and Q&A moderated by Espie Bulseco of HGS Healthcare (Betaine B.V. Ph). Co-panelists were from major contact center and telecommunications companies.

Her session was attended by over 300+ contact center professionals holding various functional roles such as risk management, compliance, internal audit, C-Suite among others.





# Talk to us

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

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## **Request for copies**

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