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TAX

RULES & NEWS

SERIES NO. 008-2025

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- Revenue Memorandum Order (RMO)
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- Revenue Delegation of Authority Order (RDAO)

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BKR INTERNATIONAL | INDEPENDENT
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BUREAU OF INTERNAL REVENUE *Issuances*

REVENUE MEMORANDUM ORDER

RMO No. 8-2025

February 19, 2025

Amends Certain Provisions and Procedures Under Revenue Memorandum Order (RMO) No. 25-2024 in the Processing of Tax Credit or Refund of Excess/Unutilized Creditable Withholding Taxes (CWT) on Income Pursuant to Section 76(C), in relation to Sections 204(C) and 229 of the National Internal Revenue Code of 1997, as Amended (Tax Code)

[Full Text](#) | [Annex D.1](#) | [Annex D.2](#)

REVENUE MEMORANDUM CIRCULARS

RMC No. 12-2025

February 13, 2025

Circularizing the approved 2024 National Priority Plan as prepared by the National Economic and Development Authority

[Full Text](#) | [Annex](#)

RMC No. 13-2025

February 19, 2025

Observance of the month of February as "Tax Awareness Month" per Proclamation No. 486 S. 2024

[Full Text](#) | [Annex A](#) | [Annex B](#) | [Annex C](#) | [Annex D](#) | [Annex E](#)

BUREAU OF INTERNAL REVENUE *Issuances*

REVENUE MEMORANDUM CIRCULARS

RMC No. 14-2025

February 19, 2025

Clarifies certain issues pertaining to the mandatory requirements for tax credit or refund of excess/unutilized Creditable Withholding Taxes on income pursuant to Section 76(C), in relation to Sections 204(C) and 229 of the NIRC of 1997, as Amended

[Full Text](#) | [Annexes](#)

REVENUE DELEGATION OF AUTHORITY

RDAO No. 11-2025

February 19, 2025

Delegates to the Deputy Commissioner of the Resource Management Group the authority to Endorse Request for Travel Authority of Revenue Personnel with Salary Grade 21 and Below

[Full Text](#)

ADVISORIES

BIR Advisories

Proposed Revenue Regulations to Implement Republic Act 12066, Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act.

Click the link below to read the full news from the source:

<https://bir-cdn.bir.gov.ph/BIR/pdf/CREATEMORE%20Draft%20RR.pdf>

TAX LAW

REPUBLIC ACT No. 12023 – VAT on Digital Services

Official Gazette / October 2, 2024

AN ACT AMENDING SECTIONS 105, 108, 109, 110, 113, 114, 115, 128, 236, AND 288 AND ADDING NEW SECTIONS 108-A AND 108-B OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED

[Republic Act No. 12023](#)

REPUBLIC ACT No. 12066 – CREATE MORE

Official Gazette / November 13, 2024

AN ACT AMENDING SECTIONS 27, 28, 32, 34, 57, 106, 108, 109, 112, 135, 237, 237-A, 269, 292, 293, 294, 295, 296, 297, 300, 301, 308, 309, 310, AND 311, AND ADDING NEW SECTIONS 135-A, 295-A, 296-A, AND 297-A OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER PURPOSES

[Republic Act No. 12066](#)

REPUBLIC ACT No. 12079 – A VAT Refund for Non- Resident Tourists

Official Gazette / December 9, 2024

AN ACT CREATING A VAT REFUND MECHANISM FOR NON-RESIDENT TOURISTS, ADDING A NEW SECTION 112-A TO THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, FOR THE PURPOSE

[Republic Act No. 12079](#)

FIRB ISSUANCE

FISCAL INCENTIVES REVIEW BOARD

Official website: <https://firb.gov.ph/>

FIRB Advisory 001-2025

February 20, 2025

Circularizing the Implementing Rules and Regulations of Title XIII of Republic Act No. 8424 otherwise known as the "National Internal Revenue Code of 1997", as Amended by Republic Act No. 12066

FOR: All Investment Promotion Agencies (IPAs), Other Government Agencies Administering Tax Incentives, Revenue Collecting Agencies, Registered Business Enterprises (RBEs) and Other Registered Entities, and All Other Key Stakeholders

This Advisory circularizes the IRR of Title XII of RA No. 8424 (NIRC of 1997), as amended by RA No. 12066 or the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act.

The IRR is issued in accordance with Section 32 of RA No. 12066, which mandates the Secretary of Finance and the Secretary of Trade and Industry to jointly promulgate the necessary rules and regulations for Title XII of the National Internal Revenue Code (NIRC) of 1997 within ninety (90) days from law's effectivity

The CREATE MORE IRR was signed on February 17, 2025. Pursuant to Rule 25, Section 4 thereof, the IRR took effect on 20 February 2025 upon its publication in the Philippine STAR.

<https://firb.gov.ph/download/firb-advisory-001-2025/?wpdmdl=4338&refresh=67b817f0c55c71740118000>

FIRB Advisory No. 007-2024 - December 17, 2024

Interim Implementing Rules and Regulations (IRR) on the Availment of Incentives and Transfer of Registration as Provided Under Republic Act No. 12066

<https://firb.gov.ph/download/firb-advisory-no-007-2024/?wpdmdl=4135&refresh=6776528c473f11735807628>

FIRB ISSUANCE

WHAT IS THE FIRB?

The Fiscal Incentives Review Board, or FIRB, is the interagency government body given the authority by the Philippine law to grant tax incentives to registered business enterprises. The FIRB has delegated to the country's investment promotion agencies the grant of tax incentives for registered projects or activities with investment capital of one billion pesos (P1,000,000,000) and below. The FIRB also grants tax subsidies to government-owned and -controlled corporations (GOCCs).

WHAT ARE THE TAX INCENTIVES AVAILABLE?

Business enterprises registered with the investment promotion agencies (IPAs) may apply for incentives under the single menu provided under CREATE, which include the following:

- 4 to 7 years of income tax holiday (ITH)
- 10 years of special corporate income tax (SCIT) for export enterprises
- Enhanced deductions
- Customs duty exemption on importation
- Value-added tax (VAT) exemption on importation and VAT zero-rating on local purchases

A Step-by-Step Guide for IPAs: Approve and Consolidate the Annual Tax Incentives Report (ATIR) and Annual Benefits Report (ABR) submissions of RBEs through FIRMS - After the RBE's submission of the ATIR-ABR package through FIRMS, the IPAs can navigate and download the packages under Manual Submission, or Approve/Return the RBE's ATIR-ABR under Electronic Submission.

Click the link below to read the full news from the source:

<https://firb.gov.ph/download/a-step-by-step-guide-for-ipas-approve-and-consolidate-the-atir-and-abr-submissions-of-rbes-through-firms/?wpdmdl=3954&refresh=67809445871d91736479813>

TAX AND BUSINESS RELATED

News

BIR WEEKENDER BRIEFS

Volume No. 16 Issue No 7 Week ending February 14, 2025

In celebration of the Tax Awareness Month, the BIR launched a nationwide Tax Compliance Verification Drive conducted from February 10 to 14.

Click the link below to read the full news from the source:

<https://bir-cdn.bir.gov.ph/BIR/pdf/v16n7.pdf> [BIR/pdf/v16n7.pdf](https://bir-cdn.bir.gov.ph/BIR/pdf/v16n7.pdf)

Gov't agencies sign CREATE MORE Act implementing rules, regulations

Philippine News Agency / Anna Leah Gonzales / February 17, 2025 - MANILA

Government agencies signed on Monday the implementing rules and regulations (IRR) of the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act. The IRR of Republic Act 12066, signed by Finance Secretary and Fiscal and Incentives Review Board (FIRB) chair Ralph Recto and Department of Trade and Industry (DTI) Secretary and FIRB vo-Chair Ma. Cristina Roque, clarifies and refines the provisions the law's smooth implementation. The Department of Finance said that RBEs under the CREATE Act may avail of additional incentives or measures under the CREATE MORE Act. The IRR also directly addresses investor concerns regarding the issuance of the value-added tax (VAT) zero-rating certificate by providing detailed guidelines on eligibility and compliance criteria and clarifying the certificate's covered period.

Click the link below to read the full news from the source:

<https://www.pna.gov.ph/articles/1244263>

TAX AND BUSINESS RELATED

News

Lumagui: BIR files 8.5B Tax Evasion Case after Night Raid of Illicit Cigarette Factory & Warehouses in Bulacan & Valenzuela; Largest BIR Raid against Illicit Cigarette for 2024 (February 17, 2025)

Bureau of Internal Revenue (BIR) Commissioner Romeo D. Lumagui Jr. reports that after a successful large-scale raid against illicit cigarettes in Bulacan and Valenzuela last November 6, 2024, the BIR has filed a tax evasion case against the culprits behind the illicit operation. The criminal cases were filed last November 14, 2024 and February 7, 2025. The BIR computed a total tax liability of Php 8,544,809,067.50

Click the link below to read the full news from the source:

<https://bir-cdn.bir.gov.ph/BIR/pdf/PR07FEB1725.pdfpdf>

House tri-com to review tax compliance of social media influencers

Philippine News Agency / Filane Mikee Cervantes / February 17, 2025- MANILA

The House Tri-Committee (tri-com) is set to investigate tax compliance and financial transparency of social media influencers and vloggers during its second hearing on Tuesday. According to a news release on Monday, Bureau of Internal Revenue (BIR) Commissioner Romeo Lumagui Jr. and his team are among those invited by the Committees on Public Order and Safety, on Information and Communications Technology, and on Public Information. The tri-com is probing the spread of fake news online and whether digital personalities are properly declaring their income. Santa Rosa Lone District Rep. Dan Fernandez, tri-com overall chair, stressed the need to determine if influencers are fulfilling their tax obligations.

Click the link below to read the full news from the source:

<https://www.pna.gov.ph/articles/1244270>

TAX AND BUSINESS RELATED

News

BIR reinforces commitment to taxpayer support 'Education key to tax compliance'

Manila Bulletin / February 15, 2025

A friendlier, more sustainable approach to tax compliance is gaining traction nationwide. Instead of relying on punitive measures, a national program emphasizes education and support, empowering businesses to understand and meet their tax responsibilities. This initiative recognizes that genuine compliance stems from knowledge and understanding, not fear of penalties. The Bureau of Internal Revenue (BIR), under Commissioner Romeo D. Lumagui, Jr., has launched a nationwide initiative, the Friendly Tax Compliance Verification Drive (TCVD). This program, coinciding with Tax Awareness Month, signified a shift toward a more supportive and collaborative approach, guiding businesses toward proper tax practices rather than immediately resorting to penalties. This proactive measure, from Feb. 10 to 14, underscored the BIR's dedication to building a robust culture of compliance through understanding, assistance, and open communication. It also signalled moving away from a purely enforcement-focused model and toward a partnership with taxpayers to foster fiscal responsibility. The most frequent issues encountered by BIR officers during these visits offer a valuable snapshot of the challenges faced by businesses in navigating the tax system. These included businesses operating without official registration; failing to maintain their books of accounts at their place of business; and neglecting to display their certificate of registration. The transition to the new sales or service invoice system under the Ease of Paying Taxes (EOPT) Act also presented a hurdle for many businesses, with many yet to convert their official receipts. The most frequent issues encountered by BIR officers during these visits offer a valuable snapshot of the challenges faced by businesses in navigating the tax system. These included businesses operating without official registration; failing to maintain their books of accounts at their place of business; and neglecting to display their certificate of registration. The transition to the new sales or service invoice system under the Ease of Paying Taxes (EOPT) Act also presented a hurdle for many businesses, with many yet to convert their official receipts.

Click the link below to read the full news from the source:

<https://mb.com.ph/2025/2/15/bir-reinforces-commitment-to-taxpayer-support>

TAX AND BUSINESS RELATED

News

Recto: CREATE MORE IRR signing sends a clear message to the world—the Philippines means business

Department of Finance / February 17, 2025

Finance Secretary and Fiscal Incentives Review Board (FIRB) Chair Ralph G. Recto has underscored that the much-awaited signing of the Implementing Rules and Regulations (IRR) of the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act is a clear message to the world that the Philippines means business. “[W]e are ready to compete. We are a dependable economically. We offer stability amid uncertainty. And yes—we are Trump 2.0-ready,” he said in his opening remarks at the signing ceremony on February 17, 2025. Enacted on November 8, 2024, the CREATE MORE Act transforms the Philippines into an attractive business destination by making the tax incentives regime more globally competitive, investment-friendly, predictable, and accountable. The IRR, which was signed by Secretary Recto and Department of Trade and Industry (DTI) Secretary and FIRB Co-Chair Ma. Cristina Aldeguer-Roque, clarifies and refines the provisions in the CREATE MORE Act for its smooth implementation. This includes providing clearer guidelines on the transitory rules for pre-CREATE registered business enterprises (RBEs) to continue enjoying their previously granted tax incentives. Meanwhile, RBEs under the CREATE Act may avail of additional incentives or measures under the CREATE MORE Act.

Click the link below to read the full news from the source:

<https://www.dof.gov.ph/recto-create-more-irr-signing-sends-a-clear-message-to-the-world-the-philippines-means-business/>

TAX AND BUSINESS RELATED

News

BIR files P8.5 billion tax evasion case against illegal cigarette factories in Bulacan, Valenzuela

Bilyonaryo.com / February 17, 2025

The Bureau of Internal Revenue (BIR) has filed an ₱8.5 billion tax evasion case against individuals linked to illegal cigarette manufacturing and storage facilities raided in Bulacan and Valenzuela last year. Commissioner Romeo Lumagui Jr. said the November 6 raid, the largest anti-smuggling crackdown by the BIR in 2024, resulted in the arrest of six Chinese nationals and the seizure of raw materials and equipment. Initial tax evasion charges were filed shortly after, with additional cases lodged on November 7. "The BIR will not stop filing criminal cases against large-scale illicit cigarette manufacturers and distributors. Big or small, all illicit cigarette operations in the Philippines are criminal in nature," Lumagui said in a statement.

Click the link below to read the full news from the source:

<https://bilyonaryo.com/2025/02/17/bir-files-p8-5-billion-tax-evasion-case-against-illegal-cigarette-factories-in-bulacan-valenzuela/business/>

Gatchalian reminds taxpayers to avail of estate tax amnesty

Philippine News Agency / Wilnard Bacelonia / February 17, 2025 - MANILA

Senator Sherwin Gatchalian on Monday urged taxpayers to use available government programs such as the extended estate tax amnesty program to their advantage, a win-win situation both for the taxpayers and the government. He said the amnesty program, extended under Republic Act 11956 which amended the Tax Amnesty Act, allows heirs, transferees, and beneficiaries to settle estate taxes without penalties or interest until June 14, 2025. He said the program's expanded coverage now includes estates of individuals who passed away on or before May 31, 2022, extending beyond the previous cut-off of Dec. 31, 2017. Gatchalian, who authored and sponsored the law, said the extension gives families more time to comply and legalize their ownership of inherited properties. "Now is the perfect opportunity for heirs and beneficiaries to settle their obligations while they are already budgeting for their expenses in the first half of the year," Gatchalian said in a news release in time for Tax Awareness Month this February.

Click the link below to read the full news from the source:

<https://www.pna.gov.ph/articles/1244192>

TAX AND BUSINESS RELATED

News

Streamlined incentives: CREATE MORE IRR to drive Philippines economic growth, says DOF

Manila Bulletin / February 17, 2025

The Philippines is sending a clear message to the world that it is open for business with the signing of the Implementing Rules and Regulations (IRR) of the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act. Following the signing ceremony on Monday, Feb. 17, Finance Secretary and Fiscal Incentives Review Board (FIRB) Chair Ralph G. Recto said the CREATE MORE IRR signals the country's readiness to compete globally and serve as a dependable economic ally. The CREATE MORE Act, enacted on Nov. 8, 2024, aims to make the Philippines a more attractive investment destination by enhancing its tax incentives regime. The signed IRR clarifies and refines the CREATE MORE Act's provisions for smoother implementation. It provides clearer guidelines for pre-CREATE registered business enterprises (RBEs) to continue utilizing previously granted tax incentives, while RBEs under the CREATE Act can access additional incentives under CREATE MORE. The IRR also addresses investor concerns regarding VAT zero-rating certificates, outlining eligibility and compliance criteria and clarifying the certificate's covered period. Furthermore, the IRR mandated fiscal prudence by tasking the FIRB with impact evaluations to guide the President's decisions on fiscal and non-fiscal incentives for highly desirable projects. It also prohibited double project registration to prevent redundant incentives.

Click the link below to read the full news from the source:

<https://mb.com.ph/2025/2/17/create-more-irr-to-drive-philippines-economic-growth-says-dof>

TAX AND BUSINESS RELATED

News

CREATE MORE IRR signed, BPOs will be 'very happy with 50% work from home'

Go Philippine Daily Inquirer / Alden M. Monzon / February 18, 2025

The implementing rules and regulations (IRR) for the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act has been signed, the country's economic czar said on Monday. "We signed the IRR today, or rather I should say the (Department of Finance) and the (Department of Trade and Industry) signed the IRR," Secretary Frederick Go told reporters. Go heads the Office of the Special Assistant to the President for Investment and Economic Affairs (OSAPIEA). WFH for BPOs - Go said that under CREATE MORE, all the investment promotion agencies had been given the flexibility to allow their registered locators to have a 50 percent work-from-home arrangement. "I think the (business process outsourcing sector) should be very happy with 50 percent work from home. I believe that now, it's actually less than that already for most BPOs," he said. The IT-BPM Process Association of the Philippines (IBPAP) eventually welcomed the solution offered by the government to change registration from one investment promotion agency to another. According to the Philippine Economic Zone Authority (PEZA), more than 440 companies have applied to transfer their registration to the Board of Investments (BOI).

Click the link below to read the full news from the source:

<https://business.inquirer.net/506994/create-more-irr-signed-bpos-will-be-very-happy-with-50-work-from-home-go>

Local stocks rally on remittances, corporate tax cut news

Manila Bulletin / James A. Loyola / February 18, 2025

The local stock market strengthened as investors picked up bargains amid stronger remittances and corporate tax cuts. "Philippine shares closed higher as investors welcomed the signing of the IRR on corporate tax cuts," said Regina Capital Development Corporation Managing Director Luis Limlingan. Philstocks Financial Research Manager Japhet Tantiangco said "the local market bounced back this Tuesday as investors hunted for bargains after two consecutive days of decline." He added that "optimism towards fourth quarter and full year 2024 corporate results also helped in driving the market higher following sound earnings reports from BPI, AUB, and the most recent one SMPH."

Click the link below to read the full news from the source:

https://mb.com.ph/2025/2/18/stocks-surge-on-tax-cuts-remittances#google_vignette

TAX AND BUSINESS RELATED

News

CTA denies P1.7-M tax refund of Organizational Support Services

Manila Bulletin / Czarina Nicole Ong Ki / February 18, 2025

The Court of Tax Appeals (CTA) has denied the petition of Organisational Support Services, Inc. seeking a tax refund of P1.78 million from the Bureau of Internal Revenue (BIR). Organisational Support filed with the BIR an application for tax credits/refund on Dec. 9, 2020. It claimed its refund is for excess and unutilized value added tax (VAT) for the third and fourth quarters of 2018 attributable to its zero-rated sales of services to a nonresident foreign corporation (NRFC) not doing business in the Philippines. However, the firm's plea was disapproved by the BIR on March 1, 2021. Organisational Support filed a petition before the CTA on May 21, 2021. Organisational Support said it has an agreement with Therapeutic Case Management Services Limited (TCMS) to conduct call and administration services on its behalf for its international clients. It told the CTA that its services fall under the scope of "services other than processing, manufacturing or repacking of goods" under Section 108(B)(2) of the National Internal Revenue Code (NIRC) of 1997, and thus it has a VAT rate of zero percent.

Click the link below to read the full news from teh source:

<https://mb.com.ph/2025/2/18/cta-denies-p1-7-m-tax-refund-of-organisational-support-services>

Italy probing Amazon over 1.2B euros in third-party seller VAT

Bilyonaryo.com / February 18, 2025

Italian prosecutors are examining whether online giant Amazon.com evaded 1.2 billion euros in value-added tax (VAT) it should have paid on behalf of certain third-party sellers, sources told AFP Monday. The total claim against the online retailer, including penalties, could rise to as much as three billion euros (\$3.14 billion), a source in Italy's financial crimes police said. Previously, these third-party sellers were responsible for paying the tax. The Italian law came ahead of a reform of EU e-commerce rules, which took effect in July 2021, that sought to simplify how online platforms collect VAT. A review of transactions from 2019 to 2021 by Italy's financial crime police found "unpaid VAT" by Amazon amounting to 1.2 billion euros, a source at the force told AFP. The EU measure that made online platforms liable for the tax obligations of third-part sellers was designed to ensure fair competition for the bloc and recoup lost VAT.

Click the link below to read the full news from the source:

<https://bilyonaryo.com/2025/02/17/italy-probing-amazon-over-1-2b-euros-in-third-party-seller-vat/technology/>

TAX AND BUSINESS RELATED

News

House to help BIR collect proper taxes from online content creators

Manila Bulletin / Ellson Quismorio / February 19, 2025

The House tri-committee (tri-comm) has stumbled upon an apparent need to amend tax laws in order to help the Bureau of Internal Revenue (BIR) properly collect taxes from online content creators with monetized accounts. This, after Deputy Minority Leader ACT Teachers Rep. France Castro quizzed the BIR regarding tax collection from this rather profitable sector during the House tri-committee (tri-comm) hearing on fake news. She said the aim was to "generate revenue from those engagements" in social media. Before this, lawyer Yves Gonzalez, a representative from YouTube, clarified that the platform does not monitor whether Filipino content creators pay taxes. "On the part of YouTube, we do not. And we believe the local internal revenue service are the ones who are monitoring that," Gonzalez told the panel. However, BIR officials admitted that they rely only on self-reporting by influencers, as their earnings primarily come from foreign payors. "As stated by our colleague, we rely only on the voluntary declaration of the influencers in so far as their income because there will be great difficulty in monitoring the same considering that their income primarily comes from foreign income payors," said lawyer Tobias Gavin Arcilla of BIR. This didn't sit well with Castro who went on to ask why the BIR was merely waiting for influencers to voluntarily declare their income instead of proactively obtaining data from social media platforms. "Are we not doing our job well or are we remiss?...You can ask from them yung list ng mga nag-generate ng income. So bakit nag-aantay tayo ng voluntary from the content creator?" she asked. (You can ask from these platforms the list of those who generate income. So why are we waiting for voluntary declarations from the content creators?) Arcilla defended the BIR's actions, and said that the agency was shackled by the limitations of existing laws on tax investigations.

Click the link below to read the full news from the source:

<https://mb.com.ph/2025/2/19/castro-calls-out-bir-for-relying-on-voluntary-tax-declarations-of-online-content-creators>

TAX AND BUSINESS RELATED

News

Marcos grants property tax relief to Independent Power Producers under contracts with GOCCs

Manila Bulletin / Betheena Unite / February 19, 2025

President Marcos has authorized the reduction and condonation of real property taxes and penalties on power generation facilities of Independent Power Producers (IPPs) under build-operate-transfer contracts with Government-Owned-or-Controlled Corporations (GOCCs). Through Executive Order No. 83 dated Feb. 13, all liabilities for real property tax for 2024, including any special levies accruing to the Special Education Fund on property, machinery, and equipment actually and directly used by IPPs for the production of electricity will be reduced and condoned. Under the Order, the liabilities will be reduced to an amount equivalent to the tax due if computed based on an assessment level of 15 percent of the fair market value of said property, machinery and equipment depreciated at the rate of two percent per annum, less any amount already paid by the IPPs. All interests and/or penalties on such real property tax deficiency liabilities will also be condoned and the concerned IPPs will be relieved from payment. All real property tax payments made by the IPPs over and above the reduced amount shall be applied to their real property tax liabilities for succeeding years. The Department of Finance (DOF) and various local government units (LGUs) have taken the position that IPPs operating within their territories are not entitled to exemptions and privileges enjoyed by GOCCs, and have threatened enforcement action against IPPs, including the levy and sale of affected properties at public auction.

Click the link below to read the full news from the source:

<https://mb.com.ph/2025/2/19/marcos-grants-property-tax-relief-to-independent-power-producers-under-contracts-with-goc-cs>

TAX AND BUSINESS RELATED

News

Shares jump as investors cheer CREATE MORE IRR

The Philippines Star / Richmond Mercurio / February 19, 2025- MANILA, Philippines

The local stock market snapped a two-day decline as investors cheered the signing of the implementing rules and regulations (IRR) of the CREATE MORE Act. "Philippine shares closed higher as investors welcomed the signing of the IRR on corporate tax cuts," Luis Limlingan of Regina Capital said. The CREATE MORE Act, which was enacted on Nov. 8, 2024, transforms the country into an attractive business destination by making the tax incentives regime more globally competitive, investment-friendly, predictable and accountable. Finance Secretary Ralph Recto said that the signing of the IRR is a clear message to the world that the Philippines means business.

Click the link below to read the full news from the source:

<https://www.philstar.com/business/2025/02/19/2422458/shares-jump-investors-cheer-create-more-irr>

BIR on track in collecting taxes

The Freeman / Jonnavie Villa / February 18, 2025- CEBU, Philippines

As Central Visayas successfully achieved its tax collection goal last 2024, Bureau Internal Revenue (BIR) Commissioner Romeo Lumagui Jr. expressed confidence in the vision to achieve ₱3.2 trillion nationwide for 2025. Addressing thousands of revenue officers and taxpayers during the 2025 BIR Tax Campaign held yesterday, Lumagui emphasized the essence of continuing reforms and cooperation in achieving the objective. As part of the 2025 campaign, the BIR is implementing tax awareness programs to instill the civic duty among Filipinos. BIR-13 recently launched the week-long Friendly Tax Compliance Verification Drive led by regional director Douglas Rufino and officials of Revenue District Office-81 Cebu City North. The drive aimed at encouraging taxpayers in resolving tax issues to help them correct any non-compliance before penalties are imposed. The revenue officers also educated taxpayers about their obligations and the benefits of timely and accurate tax payments and held a series of seminars and enforcement measures to ensure that individuals and businesses fulfill their tax duties.

Click the link below to read the full news from the source:

<https://www.philstar.com/the-freeman/cebu-news/2025/02/18/2422325/bir-track-collecting-taxes>

TAX AND BUSINESS RELATED

News

BIR relying on voluntary tax declarations from social media 'influencers'

Philstar.com / Dominique Nicole Flores / February 18, 2025- MANILA, Philippines

Is the Bureau of Internal Revenue (BIR) monitoring social media influencers and content creators for income declaration and tax payments? The agency said it has been monitoring since 2021, when it issued a memorandum on taxing online content creators, but clarified that it only checks those who voluntarily declare their income. At the House Tri-Committee's second hearing on Tuesday, February 18, lawmakers tackled social media content creators' compliance with tax regulations as part of their review of tax measures.

What the measure allows - Revenue Memorandum Circular 97-2021, issued in August 2021, states that the BIR can obtain information and verify the income of social media influencers through the Exchange of Information (EOI) provision in tax treaties with other countries. "To enhance tax compliance and eventually, increase tax revenues, concerned BIR offices are advised to conduct a full-blown tax investigation against social media influencers residing and/or registered within their respective jurisdictions," the memorandum added. The BIR also urges social media content creators to accurately declare their income, warning that they may be subject to investigation. For those under foreign jurisdictions, the agency is required to coordinate with treaty partners. "The social media influencers are, therefore, advised to voluntarily and truthfully declare their income and pay their corresponding taxes without waiting for a formal investigation to be conducted by the BIR," the memorandum added.

Penalties -The taxation measure also outlines the criminal liability of individuals who attempt to evade taxes, fail to file tax returns or significantly underdeclare their taxable income. Social media content creators found evading taxes would face a fine ranging from P500,000 to P10 million, along with six to 10 years of imprisonment, as per the National Internal Revenue Code. They may also be subject to a civil penalty equivalent to 50% of the tax due or the deficiency tax.

Click the link below to read the full news from the source:

<https://www.philstar.com/business/2025/02/18/2422394/bir-relying-voluntary-tax-declarations-social-media-influencers>

TAX AND BUSINESS RELATED

News

RR 03-2025: Clarifications or more questions?

The Philippine Star / Alexa Marie Guintu / February 18, 2025

Over the past decade, online services have slowly been integrated in the daily lives of everyone, including Filipinos. Due to the global pandemic, the public, suddenly forced to remain at home, have turned to online shopping and streaming for necessities and entertainment. Thus, when Republic Act (RA) 12023, which imposes value added tax (VAT) on Digital Services, was signed into law in October 2024, it caused quite a stir among consumers and businesses. The law provides that persons who, in the course of trade or business, supply or deliver digital services that are consumed in the Philippines shall be liable for VAT. It also defines digital service as any service that is supplied over the internet or any other network that uses information technology where the supply of the service is essentially automated. By January 2025, Revenue Regulation (RR) 03-2025, which contained the implementing rules of the law, was released, clarifying the definitions and liabilities of the parties among others. One of the issues addressed by the RR was who shall be responsible for filing and payment of VAT. It was provided that a resident VAT-registered Digital Service Provider (DSP) shall file the VAT return and pay the VAT due. Furthermore, if classified as an e-marketplace that has nonresident participating merchants, then it shall also be liable for electronically filing the required remittance return; and withholding and remitting the 12 percent VAT due on the gross sales of the nonresident participating merchant from the sale of digital services consumed in the Philippines.

As to nonresident VAT-registered DSPs, the responsibility to file and remit shifts, depending on the kind of transaction. In B2B (business-to-business) transactions, the entity engaged in business, including the Government of the Philippines or any of its subdivisions, is responsible for electronically filing the required remittance return; and withholding and remitting VAT due on its purchases of digital services that are consumed in the Philippines within 10 days following the end of the month the withholding was made. In B2C (business-to-consumer) transactions, on the other hand, it is the nonresident VAT-registered DSP that is directly liable for the electronic filing of the VAT return and paying the VAT due based on its gross sales relating to the sale of digital services consumed in the Philippines within 25 days following the close of each taxable quarter. However, if the nonresident VAT-registered DSP so chooses, it may elect to pay the VAT monthly, but it is still required to file a quarterly tax return and pay VAT liabilities as provided by law.

Click the link below to read the full news from the source:

<https://www.philstar.com/business/2025/02/18/2422191/rr-03-2025-clarifications-or-more-questions>

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News

PSEi up after signing of CREATE MORE Act's IRR, peso weakens

Philippine News Agency / Anna Leah Gonzales / February 18, 2025- MANILA

Local shares climbed Tuesday following the signing of the implementing rules and regulations (IRR) of the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act, while the peso closed weaker against the dollar. The Philippine Stock Exchange index (PSEi) gained 1.69 percent to close at 6,094.96 while All Shares also rose 1.88 percent to 3,678.94. "Philippine shares closed higher as investors welcomed the signing of the IRR on corporate tax cuts," Regina Capital Development Corporation head of sales Luis Limlingan said.

Click the link below to read the full news from the source:

<https://www.pna.gov.ph/articles/1244353>

PH to hold investment roadshows following CREATE MORE IRR signing

Philippine News Agency / Kris Crismundo / February 18, 2025 - MANILA

Office of the Special Assistant to the President for Investment and Economic Affairs (OSAPIEA) Secretary Frederick Go on Monday said the government will hold investment roadshows abroad following the signing of the implementing rules and regulations (IRR) of the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE). The CREATE MORE IRR was signed by Finance Secretary Ralph Recto and Trade Secretary Ma. Cristina Roque on Monday and witnessed by Go, National Economic and Development Authority (NEDA) Secretary Arsenio Balisacan, and Senator Sherwin Gatchalian. Go said South Korea will be the roadshow's first stop next month, followed by the United States in April. There will also be roadshows in Japan, China, Europe, and the Middle East.

Click the link below to read the full news from the source:

<https://www.pna.gov.ph/articles/1244283>

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BIR expands e-services for Cagayan de Oro taxpayers

Philippine News Agency / Nef Luczon / February 18, 2025- CAGAYAN DE ORO CITY

The Bureau of Internal Revenue (BIR) is expanding its digital services to streamline tax transactions and improve compliance for businesses in the city. Amera Samad, assessment section officer at BIR District Office 98, said Tuesday that the agency is enhancing its eLounges to better accommodate taxpayers using BIR's growing range of electronic services. "With the increasing number of BIR e-services designed to simplify tax compliance, the demand for lounges has also risen," Samad said in a statement. To meet this demand, BIR District Office 98 is adding five more eLounge stations to assist taxpayers with digital transactions. This year, the agency will strictly implement Revenue Regulation No. 15-2024, which mandates business registration and imposes penalties for non-compliance.

Click the link below to read the full news from the source:

<https://www.pna.gov.ph/articles/1244334>

PEZA expects to lure more investors with CREATE MORE IRR signing

Philippine News Agency / Kris Crismundo / February 19, 2025 - MANILA - Philippine

Economic Zone Authority (PEZA) Director General Tereso Panga is expecting more investors to put up their businesses in economic zones across the country following the signing of the implementing rules and regulations (IRR) of the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act. Panga said the IRR provides clarity for the smooth implementation of the law. "It is a product of conjoined efforts that will surely attract more interest in the Philippines and paves the way for future investment growth," Panga said in a statement Wednesday. On Feb. 17, Finance Secretary Ralph Recto and Trade Secretary Ma. Cristina Roque led the signing of the CREATE MORE's IRR. The IRR supports PEZA's mandate of driving investment growth into the country, promote sustainable development in the countryside, and create more jobs. "The CREATE MORE Act refines the investment landscape of the Philippines to be at parity with other countries," he said.

Click the link below to read the full news from the source:

<https://www.pna.gov.ph/articles/1244440>

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News

Marcos signs EO granting tax perks to IPPs

msn.com / Catherine S. Valente / February 20, 2025

PRESIDENT Ferdinand Marcos Jr. signed an executive order (EO) granting real property tax relief to independent power producers (IPPs) operating under build-operate-transfer (BOT) contracts with corporations owned or controlled by the government to prevent power outages and higher electricity costs. EO 83, inked by Marcos on Feb. 13 and made public on Wednesday, reduced and condoned real property taxes (RPTs) by local governments on the power-generating facilities of IPPs in their locality. "While IPPs are taxable entities liable to pay the said RPTs, a substantial portion of the RPT has been contractually assumed by the National Power Corp. (Napocor)/Power Sector Assets and Liabilities Management Corp. under the Build-Operate-Transfer scheme and similar contracts, and therefore carry the full faith and credit of the National Government," the EO read. This means that under the IPPs' BOT contracts with Napocor, a government-owned and controlled corporation (GOCC), the latter must shoulder real property tax. It cited Section 277 of Republic Act 7160, or the Local Government Code of 1991, which states that the President may, when public interest so requires, condone or reduce the real property tax and interest for any province or city or a municipality within the Metropolitan Manila area. Under the EO, the IPP's real property, including any special levies accruing to the Special Education Fund on property, machinery and equipment used by IPPs for power production under BOT and similar schemes for calendar year 2024, will be reduced.

Click the link below to read the full news from the source:

<https://www.msn.com/en-ph/news/national/marcos-signs-eo-granting-tax-perks-to-ipp/ar-AA1znfnW?ocid=entnewsntp&pc=U531&cvid=54519a24affb48d38710d8e919b636ff&ei=15>

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CREATE MORE IRR signing to boost stability, lure ITBPM investors

Philippine Star / Kris Crismundo / February 20, 2025 - MANILA

Signing of the implementing rules and regulations (IRR) of the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act is expected to provide a more stable, cost-efficient, and investor-friendly environment for the information technology and business process management (ITBPM) sector. In a statement Thursday, the IT and Business Process Association of the Philippines (IBPAP) said the reform addresses key industry concerns by providing a long-term legal framework for work-from-home and hybrid work arrangements for registered business enterprises located in economic zones and freeports. Special Assistant to the President for Investments and Economic Affairs Secretary Frederick Go earlier told reporters that the CREATE MORE IRR allows up to 50 percent hybrid work arrangement for registered ITBPM enterprises in investment promotion agencies (IPAs).

Click the link below to read the full news from the source:

<https://www.pna.gov.ph/articles/1244560>

BIR: Tax compliance verification drive reaches 200K establishments

Philippine News Agency/ Anna Leah Gonzales/ February 20, 2025- MANILA

Bureau of Internal Revenue (BIR) Commissioner Romeo Lumagui Jr. said the agency's personnel visited more than 200,000 establishments nationwide as part of the agency's Friendly Tax Compliance Verification Drive (TCVD). "The BIR educated over 200,000 establishments during its Friendly TCVD last week. Revenue officers were deployed all over the Philippines to visit and educate businesses on their tax compliance requirements," Lumagui said in a statement Thursday. "This nationwide taxpayer education campaign marks the BIR's shift towards a taxpayer-centric agency, instead of the traditional goal-oriented government office," he added. The TCVD held from Feb. 10 to 14 focused on helping taxpayers understand their tax obligations, identify common issues, and guide them in correcting these to ensure proper compliance with tax laws.

Click the link below to read the full news from the source:

<https://www.pna.gov.ph/articles/1244498>

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