

# TAX ALERT

January 2025

## REPUBLIC ACTS

**THE PURCHASE AND SALE OF INDIGENOUS NATURAL GAS, AGGREGATED GAS, AND POWER GENERATED BY GENERATION FACILITIES USING INDIGENOUS NATURAL GAS AND AGGREGATED GAS SHALL BE EXEMPT FROM VALUE-ADDED TAX (“VAT”).** This exemption from VAT for aggregated gas is only to the extent of the amount of indigenous natural gas attributed to be in the aggregated gas. This includes the: (a) purchase and sale of indigenous natural gas and aggregated gas by an aggregator, reseller, supplier, person authorized by the Energy Regulatory Commission (“ERC”) to operate facilities used in the generation of electricity, or an end-user, and (b) purchase and sale of electricity or ancillary services produced by a generation facility using indigenous natural gas and/or aggregated gas by a person authorized to (1) operate facilities used in the generation of electricity or ancillary services, (2) sell, broker, market, or aggregate electricity to end-users, (3) consolidate electric power demand of end-users for the purpose of purchasing and reselling electricity on a group basis, (4) engage in the distribution of electricity, or (5) procure or provide ancillary services. *Philippine Natural Gas Industry Development Act, Republic Act (“RA”) No. 12120, dated January 8, 2025.*

## SUPREME COURT DECISIONS

**ACQUITTAL OF THE ACCUSED OR THE DISMISSAL OF THE CRIMINAL CASE FOR TAX LAWS VIOLATION WILL NOT RESULT IN THE EXTINCTION OF THEIR CIVIL LIABILITY FOR DEFICIENCY TAXES.** In this case, the taxpayer's acquittal in the criminal cases for violation of the Tax Code did not release it from its obligation to pay the deficiency taxes as this obligation did not arise from delict but is based on law. The dismissal of the criminal cases extinguished only its civil liability *ex delicto*. The government is therefore not precluded from collecting deficiency taxes from the taxpayer. *People v. E & D Parts Supply, Inc. and Margaret L. Uy, G.R. No. 259284, dated January 24, 2024 and uploaded to the Supreme Court website on January 24, 2025.*

**FOREIGN CURRENCY DEPOSIT ACCOUNTS ARE EXEMPT FROM ESTATE TAX UNDER RA NO. 6426 OR THE FOREIGN CURRENCY DEPOSIT ACT OF THE PHILIPPINES; THE NATIONAL INTERNAL REVENUE CODE (“NIRC”), A GENERAL TAX LAW, DID NOT EXPRESSLY REPEAL THE SPECIFIC TAX EXEMPTION GRANTED BY RA NO. 6426, A SPECIAL LAW.** The Supreme Court clarified that a general law cannot override or revoke a special law without a clear and explicit repeal provision. Thus, the decedent's foreign currency deposit account is governed by the provisions of RA No. 6426 and is therefore exempt from any and all taxes, including estate tax. *Commissioner of Internal Revenue (“CIR”) v. Estate of Mr. Charles Marvin Romig, G.R. No. 262092, dated October 9, 2024 and uploaded to the Supreme Court website on January 28, 2025.*

## COURT OF TAX APPEALS DECISIONS

**TOTAL DISREGARD BY THE BUREAU OF INTERNAL REVENUE (“BIR”) OF THE TAXPAYER’S EXPLANATIONS IN THE REPLY TO PRELIMINARY ASSESSMENT NOTICE (“PAN”) IS IN VIOLATION OF THE TAXPAYER’S RIGHT TO ADMINISTRATIVE DUE PROCESS AND RENDERS THE RESULTING FORMAL LETTER OF DEMAND (“FLD”) NULL, VOID, AND OF NO FORCE AND EFFECT.** In this case, the taxpayer laid down its explanations and arguments against the assessment items in its Reply to the PAN and argued that these can be verified from the tax returns, accounting records, and contracts that were submitted to and made available for examination during the audit. The BIR’s mere statement that the taxpayer failed to introduce sufficient evidence and its failure to communicate which documents it would require to come up with a fair investigation or assessment of the taxpayer’s explanations in its Reply are violative of the taxpayer’s right to administrative due process. *Retiro Golden Foods, Inc. v. CIR, Court of Tax Appeals (“CTA”) Case No. 10519, dated January 2, 2025.*

**A REASSIGNMENT OF A DEFICIENCY TAX INVESTIGATION TO ANOTHER REVENUE OFFICER (“RO”) WITHOUT THE ISSUANCE OF A NEW LETTER OF AUTHORITY (“LOA”) NULLIFIED THE FLD ISSUED AGAINST THE TAXPAYER ON THE BASIS OF SUCH INVESTIGATION.** In the present case, a Memorandum of Assignment (“MOA”) designating a new handling RO and stating that the “Lead RO was designated as Group Supervisor (“GS”)” was issued and no new LOA (nor any document of equivalent validity) had been issued thereafter. Notwithstanding the fact that the former Lead RO (now GS) was named in the LOA and a signatory in the memoranda which recommended the issuance of the PAN, FLD/Final Assessment Notice (“FAN”), and Final Decision on Disputed Assessment (“FDDA”), still the MOA did not validly clothe the new lead officer tasked to carry out the investigation with the proper authority to continue the audit and recommend the issuance of the assessments against the taxpayer. *Orient Overseas Container Line Ltd. v. CIR, CTA Case No. 10296, dated January 9, 2025.*

**THE FACT THAT THE TAXPAYER WAS ABLE TO FILE A PROTEST AGAINST THE FLD/FAN AND EVEN MENTIONED THE FAN/FLD THAT WAS “ISSUED TO [HER]” DOES NOT DENIGRATE THE FACT THAT THE FAN/FLD WERE IMPROPERLY SERVED AND THAT SHE WAS DEPRIVED OF HER STATUTORY AND PROCEDURAL DUE PROCESS RIGHT TO CONTEST THE ASSESSMENT.** The accused-taxpayer in this case was charged with failure to pay the assessed deficiency income tax despite BIR’s notice and demand. However, the LOA and the FLD were not personally served upon her. The LOA, with a checklist of requirements, was not delivered to her registered or residential address, but was served to her father who was not authorized to receive such a document on her behalf. The BIR also failed to present and formally offer the registry receipt and return card as proof of mailing and actual receipt of the FLD/FAN or to provide a witness who could testify on accused’s receipt of the assessment notice. *People v. Diaz, CTA Crim. Case No. O-999, dated January 15, 2025.*

**FAILURE OF THE FDDA TO STATE THE FACTS AND LAW ON WHICH IT IS BASED RENDERS THE DECISION VOID BUT DOES NOT RENDER THE ASSESSMENT VOID.** In the instant case, the FDDA is void for violation of the taxpayer's right to administrative due process as there have been lapses in the reinvestigation process and the BIR failed to inform the taxpayer of the factual bases of the assessment in the FDDA. Nonetheless, the Court looked into the FAN because a void FDDA does not render the assessment void as a “decision” differs from an “assessment” and tax laws may not be extended by implication beyond the clear import of their language, nor their operation enlarged so as to embrace matters not specifically provided. *Ebar Abstracting Company, Inc. v. CIR, CTA Case No. 10681, dated January 15, 2025.*

**BIR'S TOTAL IGNORANCE OF THE TAXPAYER'S REPLY TO THE PAN VIOLATES THE DUE PROCESS RIGHTS OF THE TAXPAYER AND RENDERS THE TAX ASSESSMENTS ISSUED NULL AND VOID.** Despite the Reply to the PAN, the taxpayer was still assessed a nearly identical aggregate amount, save for the PHP0.01 difference, in the FLD which merely copied verbatim the discussion that was already written in the PAN and the attached Details of Discrepancies, without adding more by addressing any of the taxpayer's defenses in its Reply. It did not even acknowledge or mention the taxpayer's submission of the Reply to the PAN. These are clear signs that the taxpayer's Reply to the PAN was totally ignored by the BIR, in violation of the former's right to administrative due process. *Levi Strauss (Phil.) Inc. II v. CIR, CTA Case No. 10324, dated January 15, 2025.*

**BIR'S FAILURE TO PROVE RECEIPT BY THE TAXPAYER OF THE ASSESSMENT WOULD NECESSARILY LEAD TO THE CONCLUSION THAT NO ASSESSMENT WAS ISSUED.** Here, the BIR was unable to present substantial evidence that the FLD/FAN was properly served on, and received by the taxpayer or by its authorized representative/s, thus, it was held that there is no valid assessment as the subject FLD/FAN is void. *Diamond Drilling Corporation of the Philippines v. CIR, CTA Case No. 10661, dated January 20, 2025.*

**THE BIR IS DUTY-BOUND TO WAIT FOR THE EXPIRATION OF FIFTEEN (15) DAYS FROM THE DATE OF RECEIPT OF THE PAN BEFORE ISSUING THE FLD/FAN.** *Vibal Group, Inc. v. CIR, CTA Case No. 10219, dated January 20, 2025.*

**FAILURE TO MAKE A CATEGORICAL DEMAND FOR PAYMENT WITHIN A SPECIFIC PERIOD OF TIME THROUGH THE ISSUED FLD/FAN MAKES THE ASSESSMENT INVALID; TO ATTRIBUTE TO THE ACCUSED A “WILLFUL FAILURE TO PAY” THE TAX, IT MUST BE SHOWN THAT THE ACCUSED WAS AWARE OF HIS OBLIGATION TO PAY THE TAX, BUT HE NEVERTHELESS VOLUNTARILY, KNOWINGLY, AND INTENTIONALLY FAILED TO PAY IT.** *People v. Buensol Construction Co., CTA Crim. Case No. O-969, dated January 21, 2025.*

**THE OMISSION OF THE DUE DATE IN THE ASSESSMENT NOTICES ACCOMPANYING THE FLD UNDERMINES THE BIR'S DEMAND FOR PAYMENT AND RENDERS THE ASSESSMENT DEFECTIVE.** *CIR v. Concepcion Industries, Inc., CTA EB No. 2863, dated January 22, 2025.*

**BIR'S RELIANCE UPON NEWSPAPER CLIPPINGS WITHOUT INDEPENDENT VERIFICATION OF THE REPORTED FIGURES, EVEN IF IT IS NOT THE SOLE BASIS OF THE ASSESSMENT, FALLS SHORT OF THE STANDARD REQUIRED FOR A VALID TAX ASSESSMENT AS THE SUPREME COURT HAS CONSISTENTLY RULED THAT SUCH SOURCES CONSTITUTE HEARSAY EVIDENCE AND LACK PROBATIVE VALUE UNLESS PROPERLY CORROBORATED.** *CIR v. Spouses Emmanuel D. Pacquiao and Jinkee J. Pacquiao, CTA EB No. 2737, dated January 23, 2025.*

**AS PART OF THE DUE PROCESS REQUIREMENT IN THE ISSUANCE OF TAX ASSESSMENTS, THE BIR MUST PROVIDE THE REASONS FOR REJECTING THE TAXPAYER'S EXPLANATIONS. IT MUST ALSO STATE THE SPECIFIC FACTS UPON WHICH THE CONCLUSIONS FOR ASSESSING THE TAXPAYER ARE BASED.** In the case at bar, the BIR's findings clearly failed to address or discuss the taxpayer's arguments in both its Reply to PAN and Protest to FAN. Additionally, it is noted that in the Details of Discrepancies attached to the FDDA, the BIR again did not address the arguments raised by the taxpayer in its Reply to PAN and Protest to FAN. These lapses indubitably violated the taxpayer's right to due process. Tax assessments issued in violation of the due process rights of a taxpayer are null and void. *CIR v. Ajanta Pharma Philippines, Inc., CTA EB No. 2761, dated January 31, 2025.*

**THE VAT EXEMPTION ON THE IMPORTATION OF PRESCRIPTION DRUGS AND MEDICINES FOR DIABETES, HIGH CHOLESTEROL, AND HYPERTENSION, SHALL PERFORCE BEGIN ON JANUARY 1, 2020, AND NOT WHEN RA NO. 11467 TOOK EFFECT.** Here, the BIR issued Revenue Memorandum Circular ("RMC") No. 113-2020 to clarify that the effectivity date of RA No. 11467 is January 23, 2020 on account of the law's publication in the Official Gazette, through its website, on the said date. Note, however, that RA No. 11467 explicitly provides as to when the VAT exemption shall begin, *i.e.*, on January 1, 2020. Given this, the VAT paid by the taxpayer on its imported medicines for diabetes, high cholesterol, and hypertension, must be considered as erroneously or illegally collected or paid beginning January 1, 2020. *Merck Sharp & Dohme (I.A.) LLC-Philippine Branch v. CIR, CTA Case No. 10718, dated January 6, 2025.*

**PIECES OF EVIDENCE PRESENTED ENTITLING A TAXPAYER TO AN EXEMPTION ARE *STRICTISSIMI* SCRUTINIZED AND MUST BE DULY PROVEN.** The taxpayer in the instant case did not indicate the nature of the services in the VAT official receipts ("ORs") but indicated only the corresponding billing statement numbers. It further argued that the nature of the services and payments need not be reflected in its OR as it only has one (1) client; thus, the ORs would necessarily only pertain to the services under their Affiliate Service Agreement. It failed, however, to provide the Court with the billing statements during trial, which could have been cross-referenced with the ORs to prove the accuracy of its claim. Compliance with all the VAT invoicing requirements provided by tax laws and regulations is mandatory. *PPD Pharmaceutical Development Philippines Corp. v. CIR, CTA Case No. 10348 (Resolution), dated January 7, 2025.*

**THE ISSUANCE OF OFFICIAL RECEIPTS BEYOND THE VALIDITY PERIOD OF THE TAXPAYER'S AUTHORITY TO PRINT ("ATP") IS NON-COMPLIANCE WITH THE PRESCRIBED RULES AND REGULATIONS ON INVOICING; OFFICIAL RECEIPTS ISSUED WITHOUT THE REQUISITE ATP SHALL NOT BE APPRECIATED IN FAVOR OF A CLAIM FOR REFUND OF UNUTILIZED INPUT VAT.** There is a mandatory requirement under Section 113(A)(2) of the Tax Code imposed upon every VAT-registered person to issue a VAT official receipt for every sale of services. Sections 237 and 238 of the Tax Code then provide that a VAT official receipt within the context of the Tax Code shall be one that has been "duly registered" with the BIR. Due registration of receipts shall be accomplished by securing from the BIR an authority to print receipts before a printer can print the same. *Halliburton Worldwide Limited-Philippine Branch v. CIR, CTA Case No. 10467 (Resolution), dated January 8, 2025.*

**THE COURT CANNOT IMPOSE ITS OWN METHODS FOR CALCULATING THE VAT REFUND, SUCH AS COMPELLING THE CREDITING OF INPUT VAT AGAINST OUTPUT VAT AS A CONDITION PRECEDENT TO THE REFUND OR ISSUANCE OF A TAX CREDIT CERTIFICATE ("TCC").** As declared by the Supreme Court in the case of *Chevron Holdings, Inc. (Formerly Caltex Asia Limited) v. CIR*, a VAT-registered taxpayer has two (2) options with respect to its input VAT attributable to zero-rated sales, it may: (1) charge the same against output VAT from VATable sales, and claim for refund or issuance of a TCC any unutilized or "excess" input VAT; or (2) claim the same for refund or issuance of a TCC in its entirety. It is only when the taxpayer-claimant chooses the first option that the Court may require the offsetting of such ratable portion of the taxpayer-claimant's input VAT attributable to zero-rated sales against "Output VAT Still Due" as a condition precedent to the refund or issuance of a TCC. *Stefanini Philippines, Inc. v. CIR, CTA Case No. 10487, dated January 9, 2025.*

**IN A CLAIM FOR VAT REFUND FOR SALE OF SERVICES TO FOREIGN CORPORATIONS, THERE MUST BE SUFFICIENT PROOF THAT (1) THE TAXPAYER'S CLIENTS ARE NON-RESIDENT FOREIGN CORPORATIONS WHICH CAN BE PROVEN BY CERTIFICATIONS OF NON-REGISTRATION FROM THE SECURITIES AND EXCHANGE COMMISSION ("SEC"); AND (2) THEY ARE NOT DOING BUSINESS IN THE PHILIPPINES WHICH CAN BE PROVEN BY ITS ARTICLES OF ASSOCIATION/CERTIFICATES OF INCORPORATION STATING THAT THESE AFFILIATES ARE REGISTERED TO OPERATE IN THEIR RESPECTIVE HOME COUNTRIES, OUTSIDE THE PHILIPPINES, WHICH MUST BE ACCOMPANIED BY ANY TRANSLATION IN ENGLISH OR FILIPINO IF WRITTEN IN AN UNOFFICIAL LANGUAGE.** *Unilever Global Services B.V. Philippines Regional Operating Headquarters v. CIR, CTA Case No. 10385, dated January 17, 2025; Avaloq Philippines Operating Headquarters v. CIR, CTA Case No. 10491, dated January 20, 2025.*

**ACTIONS FOR TAX REFUND OR CREDIT ARE IN THE NATURE OF A CLAIM FOR EXEMPTION AND THE LAW IS NOT ONLY CONSTRUED IN *STRICTISSIMI JURIS* AGAINST THE TAXPAYER, BUT ALSO THE PIECES OF EVIDENCE PRESENTED ENTITLING A TAXPAYER TO AN EXEMPTION IS *STRICTISSIMI* SCRUTINIZED**

**AND MUST BE DULY PROVEN. *SL Harbor Bulk Terminal Corp. v. CIR, CTA Case No. 10715, dated January 17, 2025.***

**WHILE TAX REFUNDS ARE STRICTLY CONSTRUED AGAINST THE TAXPAYER, THE GOVERNMENT SHOULD NOT RESORT TO TECHNICALITIES AND LEGALISMS, MUCH LESS FRIVOLOUS APPEALS, TO KEEP THE MONEY IT IS NOT ENTITLED TO AT THE EXPENSE OF THE TAXPAYERS.** In this case, the CIR mainly argues that since the taxpayer is a Renewable Energy (“RE”) Developer engaged in the business of generation of electricity through its hydropower plant, then it is entitled to zero-rated VAT on its purchases of local supply of goods, properties, and services pursuant to the Renewable Energy Act of 2008. Therefore, no output tax should be shifted to or passed on to the taxpayer with respect to its purchases of goods and services and, therefore, there should be no input tax to be refunded from said purchases. However, it was held that since the taxpayer is not registered with the Department of Energy, a pre-requisite for the availment of tax incentives under the Renewable Energy Act, then it is not entitled to avail of the VAT incentive granted therein. Since the taxpayer’s VAT refund claim is not anchored on the said law, Section 108(B)(7) of the Tax Code applies. *CIR v. CBK Power Company Limited, CTA EB Case No. 2801, dated January 17, 2025.*

**ASIDE FROM A SPECIFIC EXCEPTION TO THE MANDATORY AND JURISDICTIONAL NATURE OF THE PERIODS PROVIDED BY THE LAW, ANY CLAIM FILED IN A PERIOD LESS THAN OR BEYOND THE 120+30 [NOW 90+30] DAYS PROVIDED BY THE TAX CODE IS OUTSIDE THE JURISDICTION OF THE CTA.** In the present case, the lapse of the 90-day period without receiving a decision on its administrative claim for refund should have already prompted the taxpayer to treat the same as inaction on the part of the BIR, notwithstanding the subsequent receipt of the VAT refund/credit notice. *Schaeffler Philippines Inc., v. CIR, CTA Case No.10268, dated January 24, 2025.*

**THE THIRTY (30)-DAY-PERIOD FROM PAYMENT OF THE ASSESSED REAL PROPERTY TAX (“RPT”) TO FILE A WRITTEN PROTEST NEED NOT BE FULLY UTILIZED BY THE TAXPAYER BEFORE THE LOCAL ASSESSOR CAN ISSUE A DECISION ON THE PROTEST; A LETTER OF MANIFESTATION TO FILE A PROTEST IS NOT CONSIDERED A VALID FORMAL PROTEST.** In the case at bar, the taxpayer submitted a letter of manifestation stating that it was deprived of the thirty (30)-day period to file a protest when the City Treasurer issued its decision only two (2) weeks after its payment of the assessed RPT under Section 252(a) of the Local Government Code. This provision, however, did not require that the thirty (30)-day-period be fully utilized by the taxpayer before the local assessor can issue a decision on the protest. *Qualfon Philippines, Inc. v. City of Dumaguete, CTA EB Case No. 2741 (CBAA Case No. V-40-2018), dated January 15, 2025.*

**IF NO ASSESSMENT NOTICE IS ISSUED BY THE LOCAL TREASURER, AND THE TAXPAYER CLAIMS THAT IT ERRONEOUSLY PAID A TAX, FEE, OR CHARGE, OR THAT THE TAX, FEE, OR CHARGE HAS BEEN ILLEGALLY COLLECTED FROM HIM, THEN HE MUST COMPLY WITH THE FOLLOWING PROCEDURAL REQUIREMENTS: (1) FILE A WRITTEN CLAIM FOR REFUND OR CREDIT WITH**

**THE LOCAL TREASURER; AND (2) FILE A JUDICIAL CASE FOR REFUND WITHIN TWO (2) YEARS FROM THE PAYMENT OF THE TAX, FEE, OR CHARGE, OR FROM THE DATE WHEN THE TAXPAYER IS ENTITLED TO A REFUND OR CREDIT. *City of Makati and the Office of the City Treasurer of Makati through Jesusa E. Cuneta v. Casas + Architects, CTA EB No. 2771, dated January 27, 2025.***

**ANY EVIDENCE OBTAINED IN VIOLATION OF THE ACCUSED'S RIGHT AGAINST UNREASONABLE SEARCHES AND SEIZURES SHALL BE INADMISSIBLE FOR ANY PURPOSE IN ANY PROCEEDING AND WITHOUT ANY COMPETENT EVIDENCE, THE DEFICIENCY EXCISE TAX LIABILITY CANNOT BE PROPERLY ASCERTAINED AS WELL.** Here, the accused is charged with unlawful possession of articles subject to excise taxes, *i.e.*, cigarettes, without payment thereof. The police officers who conducted the search and seizure of the excisable articles, however, had no probable cause to believe that they will find in the person of the accused any instrument or evidence pertaining to a crime. Moreover, there was no other circumstance or suspicious event that could warrant a more intrusive or extensive search. With the subject seized cigarettes being inadmissible in evidence, there is simply no evidence against the accused. *People v. Sy, CTA Crim. Case No. O-1050, dated January 15, 2025.*

**IT IS THE INSTITUTION OF THE CRIMINAL ACTION BEFORE THE COURT THAT INTERRUPTS THE RUNNING OF THE PRESCRIPTIVE PERIOD OF THE OFFENSE CHARGED, AND NOT THE FILING OF THE COMPLAINT WITH THE DEPARTMENT OF JUSTICE. *People v. MTO International Product Mobilizer, Inc., CTA Crim. Case No. O-833 (NPS Docket No. XVI-INV-17I-00269) (Resolution), dated January 20, 2025.***

**FAILURE TO SUBMIT THE IMPORTER'S SWORN STATEMENT ("ISS") UPON FILING OF THE IMPORT ENTRY/SINGLE ADMINISTRATIVE DOCUMENT ("SAD") RENDERS THE IMPORTATIONS ILLEGAL OR CONTRARY TO LAW. *Gamma Gray Marketing v. Bureau of Customs, CTA. EB Case No. 2738 (Resolution), dated January 17, 2025.***

**PRESENTATION OF SUFFICIENT AND CONVINCING EVIDENCE TO PROVE THAT THE IMPORTED SUBJECT PRODUCTS WERE NOT LOCALLY AVAILABLE IN REASONABLE QUANTITY, QUALITY, OR PRICE AT THE TIME OF IMPORTATION IS A REQUISITE FOR PHILIPPINE AIRLINES TO BE ENTITLED TO THE TAX EXEMPTION GRANTED UNDER ITS FRANCHISE. *Philippine Airlines, Inc. v. CIR, CTA EB NO. 2811, dated January 24, 2025.***

**WHILE REVENUE MEMORANDUM ORDER ("RMO") NO. 19-2015 REQUIRES THE SUBMISSION OF PARTICULAR SUPPORTING DOCUMENTS WITH THE ADMINISTRATIVE CLAIM OF THE TAXPAYER, IT DOES NOT STIPULATE THAT NONCOMPLIANCE WITH THIS REQUIREMENT WILL BE TANTAMOUNT TO A NON-FILED ADMINISTRATIVE CLAIM; EVIDENCE SUBMITTED OR NOT SUBMITTED BEFORE THE CIR DOES NOT AFFECT THE CTA'S PROCEEDINGS, AS THE CTA FORMULATES ITS DECISION BASED SOLELY ON THE EVIDENCE**

**BEFORE IT.** In the present case, the BIR asserted that the taxpayer did not submit any sufficient proof together with its administrative claim to prove its allegations that it has excess creditable withholding or even accumulated creditable withholding taxes for the subject taxable year that is earmarked for refund. Noncompliance with the requirement to submit supporting documents does not affect the proceedings in the CTA as cases brought before the CTA are litigated anew. *CIR v. Bethlehem Holdings, Inc., CTA EB No. 2887, dated January 23, 2025.*

## **BIR ISSUANCES**

**PRESCRIBING THE GUIDELINES AND PROCEDURES IN THE PROCESSING OF REQUEST FOR DOCUMENTS FROM THE SEC IN RELATION TO THE MEMORANDUM OF AGREEMENT (“MOA”) AND DATA SHARING AGREEMENT (“DSA”) BETWEEN THE BIR AND SEC.** Under these MOA and DSA, the BIR can obtain relevant SEC documents and corporate data on a “need-to-know” basis through the SEC Swift Corporate and Other Records Exchange (“SCORE”) Protocol. This information will be used by BIR as reference in the exercise of its power and authority in conducting tax assessments, collecting all national internal revenue taxes, fees, and charges, and enforcing related forfeitures, penalties, and fines, connected therewith, in adherence to the data privacy principles under the Data Privacy Act, its Implementing Rules and Regulations and other related data privacy rules implemented by the National Privacy Commission and Section 270 of the Tax Code, as amended. *Revenue Memorandum Order (“RMO”) No. 001-2025, issued on January 3, 2025.*

**CIRCULARIZING EXECUTIVE ORDER (“EO”) NO. 74, ENTITLED “IMMEDIATE BAN OF PHILIPPINE OFFSHORE GAMING, INTERNET GAMING, AND OTHER OFFSHORE GAMING OPERATIONS IN THE PHILIPPINES, AND FOR OTHER PURPOSES.”** *RMC No. 002-2025, issued on January 7, 2025.*

**IMPLEMENTING THE TAX PROVISIONS OF RA NO. 9267, OTHERWISE KNOWN AS “THE SECURITIZATION ACT OF 2004.”** The following Plan shall be exempted from VAT and documentary stamp tax (“DST”), or any other taxes imposed in lieu thereof: (1) the sale or transfer of assets to the Special Purpose Entity (“SPE”), including sale or transfer of any and all security interest thereto, made in accordance with the Securitization Plan; (2) the original issuance of asset-backed securities (“ABS”) and other securities related solely to such securitization transaction, such as, but not limited to, seller's equity, subordinated debt instruments purchased by the originator, and other related forms of credit; and (3) secondary trades and subsequent transfers of ABS, including all forms of credit enhancement in such instruments.

Moreover, the transfer of assets by dation in payment (*dacion en pago*) by the obligor in favor of the obligee shall not be subject to capital gains tax. Finally, the yield or income from the ABS shall be subject to a twenty percent (20%) final withholding tax, except those from any low cost or socialized housing-related ABS certified by the Department of Human Settlements and Urban Development and the Department of Finance which shall be exempt from income tax. *Revenue Regulations (“RR”) No. 002-2025, issued on January 8, 2025.*



**POLICIES AND GUIDELINES IN THE REPORTING OF CANNOT BE LOCATED (“CBL”) TAXPAYERS AND PROCEDURES IN HANDLING THE CASES PERTAINING THERETO. RMO No. 004-2025, issued on January 14, 2025.**

**ANNOUNCING THE AVAILABILITY AND IMPLEMENTATION OF THE ENHANCED FUNCTIONALITIES OF THE ENHANCED MONITORING AND MANAGING ADMINISTRATIVE CASES (“EMMAC”)-PHASE III, STARTING DECEMBER 20, 2024. RMC No. 007-2025, issued on January 16, 2025.**

**PRESCRIBING POLICIES AND GUIDELINES FOR THE IMPLEMENTATION OF RA NO. 12023 ENTITLED “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,” IMPOSING THE VALUE-ADDED TAX ON DIGITAL SERVICES. RR No. 003-2025, issued on January 17, 2025.**

**ANNOUNCING THE AVAILABILITY OF ADDITIONAL FEATURES AND/OR ENHANCED FUNCTIONALITIES OF THE EMMAC. RMC No. 007-2025, issued on January 23, 2025.**

**PUBLISHING THE UPDATED LIST OF REGISTERED MANUFACTURERS / IMPORTERS / EXPORTERS WITH THE CORRESPONDING PRODUCT BRANDS / VARIANTS OF CIGARETTES, HEATED TOBACCO PRODUCTS, VAPOR PRODUCTS, NOVEL TOBACCO PRODUCTS, CIGARS AND CHEWING TOBACCO PRODUCTS AND INTEGRATION OF THE REQUIREMENTS FOR COMPLIANCE PURPOSES. RMC No. 008-2025, issued on January 24, 2025.**

**PUBLISHING THE REVISED PEOPLE'S FREEDOM OF INFORMATION (“FOI”) MANUAL OF THE BUREAU OF INTERNAL REVENUE AND UPDATED LIST OF FOI RECEIVING OFFICERS. RMC No. 010-2025, issued on January 28, 2025.**

**FURTHER AMENDING THE "DE MINIMIS" BENEFITS PROVISIONS OF RR NO. 2-98, AS AMENDED, INCREASING THE CLOTHING ALLOWANCE PURSUANT TO RA NO. 11975, THE FISCAL YEAR 2024 GENERAL APPROPRIATIONS ACT, AND EMPLOYEES ACHIEVEMENT AWARDS. RR No. 004-2025, issued on January 30, 2025.**

**PROVIDING THE WORK-AROUND GUIDELINES AND PROCEDURES IN THE UTILIZATION OF THE MOBILE REVENUE COLLECTION OFFICERS SYSTEM USING TABLETS/DESKTOP COMPUTERS/LAPTOPS AND PRINTERS AND AMENDING CERTAIN PROVISIONS OF RMO NO. 8-2013 PARTICULARLY ON THE USE OF COLLECTION OFFICER RECEIPTING DEVICE. RMO No. 006-2025, issued on January 30, 2025.**

## **SEC ISSUANCES**

**CIRCULATING THE ANTI-MONEY LAUNDERING COUNCIL (“AMLC”) GUIDELINES ON TRANSACTION REPORTING AND COMPLIANCE SUBMISSIONS. *SEC Notice posted on January 6, 2025.***

**CIRCULATING THE GUIDELINES ON THE DISCLOSURE OF FEE-RELATED INFORMATION OF EXTERNAL AUDITORS. *SEC Memorandum Circular No. 18, series of 2024, dated December 26, 2024 and posted on January 7, 2025.***

**ADVISORY ON THE NEW FORMAT FOR THE COVER SHEET AND JOINT CERTIFICATION WHICH SHALL BE USED FOR APPLICATIONS TO INCREASE CAPITAL STOCK BY WAY OF CASH INFUSION. *SEC Notice posted on January 14, 2025.***

**CIRCULATING THE USER GUIDE FOR THE PHILIPPINE SUSTAINABLE FINANCE TAXONOMY GUIDELINES PURSUANT TO SEC MEMORANDUM CIRCULAR NO. 05, SERIES OF 2024. *SEC Notice posted on January 15, 2025.***

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