DOING BUSINESS IN THE PHILIPPINES

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EUROPEAN CHAMBER OF COMMERCE OF THE PHILIPPINES

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MESSAGE FROM ECCP PRESIDENT

The European Chamber of Commerce of the Philippines (ECCP) is pleased to present the latest edition of its Doing Business in the Philippines booklet, a handy guide for those interested in exploring various business opportunities the country has to offer. We would like to extend our sincerest thanks to KPMG Philippines for being our content partner and for their support in completing this publication.

2021 was an exciting year for the European-Philippine business community with the advancement of key economic reforms such as the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act and the Amendments to the Retail Trade Liberalization Act. Furthermore, the year 2022 opened on a high note with the advancement of the amendments to the Public Services Act and the Foreign Investments Act. As of writing, these have been transmitted to the President for signing. Despite the country hitting a snag in its first year navigating the "new normal", recent reforms offered a wide elbow room for policymakers to boost the country's economic prospects as a vital market in the region for foreign direct investments.

The ECCP aims to further build on the progress of the past years in making the Philippine business environment friendlier for European companies and ensuring that these businesses can make the most of these positive developments. More than forty years later, the ECCP remains committed to creating a competitive, fair, and more inclusive business environment in the Philippines. The Chamber also maintains a strong business network that holds great potential in translating connections to tangible business opportunities.

We hope that this publication will encourage potential investors to do business here in the Philippines. As always, the ECCP stands ready to support businesses in taking their first step into one of the most dynamic and fastest growing countries in ASEAN.

Lars Wittig
ECCP President

MESSAGE FROM KPMG

Dear All,

I am excited that the ECCP has asked KPMG in the Philippines to share our insights in this year's "Doing Business in the Philippines."

This excitement stems from the recent enactment of laws and rules that have a significant impact on how businesses operate in the country.

In January 2018, the TRAIN Law restructured the schedules for personal income tax and excise tax, broadened the tax base for VAT, and increased other tax rates. The Revised Corporation Code, which went into effect in February 2019, reformed the regulatory framework for investors' corporate vehicles through which they operate in the Philippines.

Then in April 2021, the much-anticipated Republic Act No. 15534, also known as the "Corporate Recovery and Tax Incentives for Enterprises Act" or the CREATE Law, took effect. This landmark legislation introduced major amendments to the corporate tax laws and presented the new incentive package for investors.

And the changes keep coming! In the course of writing the content for this publication, we made revisions in view of the amendments to the implementing rules and regulations of the CREATE Law. We also await Congress' approval of other tax laws, as well as the Philippine President's signature on the bill amending the Foreign Investments Act.

Having said the above, I am without doubt that this booklet gives new and updated content – a must read for investors in the Philippines.

Should you be interested in discussing our insights further, I would be happy to discuss these with you.

Thank you.

Maria Carmela M. Peralta
Head of Tax
Tax Principal

MESSAGE FROM DEPARTMENT OF TRADE AND INDUSTRY

The Department of Trade and Industry (DTI) sends its heartfelt congratulations to the **European Chamber of Commerce of the Philippines (ECCP)** on the publication of **Doing Business in the Philippines,** which reaffirms the organization's commitment to strengthen European-Philippine economic ties as it provides potential investors with a complete guide to starting and maintaining a business in the country.

Over the years, this growing partnership between our regions has resulted in enhanced bilateral economic cooperation, such as preferential access in major markets through our **Free Trade Agreements (FTAs).** In fact, the Philippines is the only ASEAN country given trade preference in the **European Union (EU)** market's **Generalised System of Preferences Plus (GSP+).** And with the entry of the Philippines into the **Regional Comprehensive Economic Partnership (RCEP) Agreement,** we expect that this will also play a major role in the country's growth strategy as this establishes a modern, comprehensive, high-quality, and mutually beneficial partnership that will facilitate the expansion of regional trade and investment and contribute to global economic development.

Amid the challenges of the pandemic, the Philippine government has remained consistent in its efforts to facilitate greater trade and investment in the country by continuously pursuing reforms that foster a better business environment. Among these initiatives is the realization of the game-changing **Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act,** which rationalizes, modernizes, and offers more relevant incentives to investors. Meanwhile, under the **Strategic Investment Priorities Plan (SIPP)** of CREATE, we have identified industries for the grant of incentives to attract high-value, high-tech projects that will create more jobs and further boost the Philippines' competitiveness in the global market. All of these, together with the review of other economic restrictions, have the common goal of attracting more investments that will create more jobs and opportunities in the country.

As we remain focused on balancing the need to protect lives and livelihood, DTI looks forward to its continuing partnership with ECCP in creating a more competitive business environment and a level playing field for both Europe and the Philippines. With your steadfast support, we are optimistic that we will soon be able to recover and realize our common aspiration for inclusive growth, sustainable development, and a more prosperous tomorrow.

Thank you and *mabuhay!*

Hon. Ramon M. Lopez
Secretary

CONNECT. ENGAGE. GROW.

YOUR BUSINESS WITH eccp IN 4 EASY STEPS

Interested to learn more about the Philippine market, specific industry sectors, identify business partners, or invest in the Philippines?
ECCP is the chamber of choice to realize your business plans.

1. Fill up the form. Go to **www.eccp.com/contact** and enter details about your business requirements.
2. ECCP will send the proposal based on your requirement with tailor-fit services to match your needs.
3. Do not forget to sign the agreement once the terms and conditions have been finalized between your company and ECCP.
4. The ECCP team will move forward with the scope of work and will remain in close contact with you throughout the entire process.

To know more about Business Services, you may inquire to **catherine.lee@eccp.com** and **business.associate@eccp.com**.

ABOUT ECCP

The European Chamber of Commerce of the Philippines (ECCP) is a service-oriented organization whose main goal is to foster close economic ties and business relations between the Philippines and Europe. The ECCP does this by providing a wide range of consultancy services and by creating linkages between companies, organizations, and individuals with existing or potential business interests in Europe and the Philippines. It is also at the forefront of pro-business, pro-growth advocacy in the Philippines, representing European business interests for increased market access and trade facilitation, at the highest level of Philippine political discussions.

The ECCP sees itself as the stepping stone for Europeans into the Philippine market and for Filipinos into the European market.

WHAT WE PROVIDE

As a membership organization, the ECCP is proud to have over 700 members amongst its ranks. The chamber provides a wide variety of services to its member companies, individuals and organizations and strives to make its members' viewpoint heard on economic and business issues, legislative measures and administrative regulations. The ECCP identifies business opportunities, facilitates business contacts, and provides market intelligence research for European and Philippine companies alike. The ECCP keeps its members informed through its digital channels, publications, and e-newsletters.

Through its strong relationship with partners in government, the ECCP is able to support its member companies by facilitating market access and ensuring a level playing playing field for both European and Filipino companies alike. The ECCP's 15 sector committees regularly meet to discuss issues and actionable solutions, which are then elevated to the government through a series of advocacy tools which include letters to members of the government, drafting of bills, creation of position papers on proposed reforms or current issues, and a collection of Advocacy Papers published every year. ECCP positions cover crosscutting issues and sector specific position papers, listing key recommendations on actions needed to support market access for European businesses and enable long term economic welfare for the Philippines.

The ECCP promotes trade and investments between Europe and the Philippines by providing a wide range of information, import assistance counseling on the local business environment, and advice on how to invest in the Philippines. The ECCP also offers business advisory services, market/feasibility studies, and other market entry requirements of newcomers to the Philippines market.

Visiting or exhibiting in international trade fairs is one of the most effective market entry measures. The ECCP, as an international trade fair information center, provides extensive services to exhibitors and visitors of European and Asian trade fairs. The ECCP also represents some of the leading European fairs in fashion and textiles, consumer goods, electronics, information technologies, industrial goods, building materials, and food. The ECCP endorses and co-organizes Philippine trade fairs and shows which are of interest to European exhibitors.

One of the objectives of the ECCP is to strengthen commercial and investment relations to the benefit of companies in Europe and the Philippines. Special programs have been developed to identify partners in technology, production, subcontracting, distribution or joint venture opportunities in both markets. Counseling and linkages to support facilities form part of our services alongside market intelligence and research services.

ABOUT KPMG IN THE PHILIPPINES

R.G. Manabat & Co.

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

We adopt a global approach spanning professional disciplines, industry sectors and national borders. The diverse public and private sector backgrounds of our partners and principals, coupled with extensive training, and backed up by the wide knowledge resources and network of KPMG professionals, allow the firm to give real-world solutions to increasingly complex business and regulatory issues.

No. 1 Winner of the International Tax Review 2021

Ranked as Tier 1 in Transfer Pricing

Ranked as Tier 1 in General Corporate Tax Practice

Consulting Firm of the Year, Asia Risk Awards 2020

WHAT WE DO

AUDIT & ASSURANCE

Financial Statements Audit, Attestation Services, Prospective Reporting, Regulatory Audit, Other forms of attestation

TAX

Tax Corporate Compliance, Tax Advisory Services, Tax Advocacy Services, Global Mobility Services, Transfer Pricing Services, Customs, Trade and Excise Advisory, Company Administration

ADVISORY

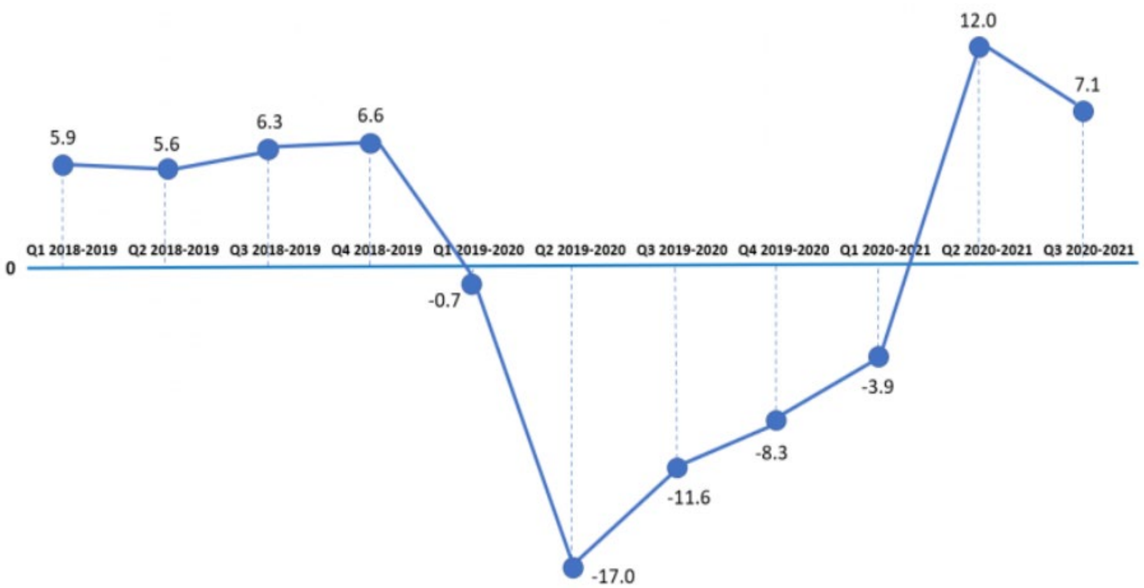
Management Consulting, Risk Consulting, Deal Advisory

TECHNOLOGY CONSULTING

Cyber Security, Technology Risk and Assurance Services, Digital Transformation

THE PHILIPPINES

The Philippines has been considered as one of the most competitive economies in the East Asia Pacific region. From having an average annual growth of 4.5% between 2000-2009 to attributing a 6.4% annual growth between 2010-2019. Boasting increased urbanization, a continuously growing middle class, as well as having a large and young population, the country's economic dynamics are mainly rooted in strong consumer demand backed up by a flourishing labor market and dynamic remittances. The Philippine economy has also made significant progress in delivering inclusive growth since a decline of 6.7% in poverty rates and a decline of 2.2% in its Gini coefficient was observed.



Even with the economic disruptions caused by the Covid-19 pandemic, the Philippine economy is still able to rapidly adapt and recover from a -17% GDP growth rate in the 2nd quarter of 2020 to 12.1% in the 2nd quarter of 2021. The main contributors for this rapid growth were the Wholesale and retail trade; repair of motor vehicles and motorcycles with 6.4% contribution; Manufacturing industry with 6.3%; and Construction Industry with 16.8%.

Driven by public investment and a recovery in the external environment, the country was still able to achieve a 3.7% year-on-year expansion in the first half of 2021 amidst the recovery to Covid-19. With continued efforts from both the government and its citizens, the country is starting to get back on track from being a lower-middle-income country with a gross national income per capita of $3,430 in 2020 to an upper-middle-income country having a per capita income range of $4,096-$12,695 in the short term. There are also visible signs of recuperation in domestic activities, community mobility, industrial output, and recently with bank lending activities. However, there are still probing challenges that may impede economic growth given the continuing threat of the pandemic amidst limited policy space.

Government efforts were also placed to encourage doing business in the Philippines. RA 11032, or the "Ease of Doing Business and Efficient Government Service Delivery Act of 2018" aims to strengthen and promote efficiency and simplicity in business and government processes through digitalization with the ICT industry. Additionally, the country's Comprehensive Tax Reform Program promotes a just taxation system, it allows easier market penetration and establishment of businesses with a sustainable flow of revenue. This would then allow businesses to channel their resources to make meaningful investments in people and infrastructures.

The Philippines as it is in the heart of Asia is considered an important geographic location for businesses. Given that the country has a relatively low cost of living, and that the headline inflation rate last December 2021 has eased to 3.6%, doing business in the Philippines can be as strategic and cost-efficient for international businesses.

Philippine Statistics Authority (PSA) reported that the total Foreign Investments received by the Philippines in the 3rd quarter of 2021 amounted to Php 16.82 billion which was 45.8% lower than its previous quarter. These were driven by investments from Japan which accounted for 66.4% of the total approved Foreign Investments, followed by the Netherlands with 9.2% and the British Virgin Islands with 4.2%. These investments were mostly allocated to the Manufacturing industry which received PhP 11.01 billion or 65.5% of the total Foreign Investments; the Real Estate Activities with PhP 2.70 billion or 16.0% share, then by the Administrative and Support Service Activities with PhP 2.38 billion or 14.2% contribution.

In the World Competitiveness Ranking by the Institute of Management and Development (IMD), the Philippines in 2021 was ranked 52 out of 64 countries as it was challenged with reviving businesses and consumer confidence, implementing vaccination rollouts, building resilient social infrastructure especially in health and education, sustaining increased investments in physical and digital infrastructure, and maintaining fiscal health while adequately providing stimulus and support, especially for vulnerable sectors.

Despite the Covid-19 pandemic, the Philippines has achieved significant headway in recent years. This progress is reflected in the country's rapid adaptation and economic recovery from the pandemic disruptions. With the government's efforts for efficiency to encourage investors in doing business in the Philippines, the country will eventually be able to graduate to an upper-middle-income country. However, there is still considerable work to be done to strengthen the country's global competitiveness. To push the Philippine economy to new heights, it is critical to strengthen and promote these efforts to enhance business and government procedures, as well as to grow the Philippine manufacturing sector, expand ASEAN integration, and improve trade facilitation.

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KEY COUNTRY FACTS

KEY COUNTRY FACTS: Divided into 3 island groups – Luzon, Visayas, and Mindanao – and with 17 regions, the Philippines is a country with rich history, diverse culture, and natural resources.

GOVERNMENT: A republic with a presidential form of government wherein power is equally divided among its three branches: executive, legislative, and judicial.

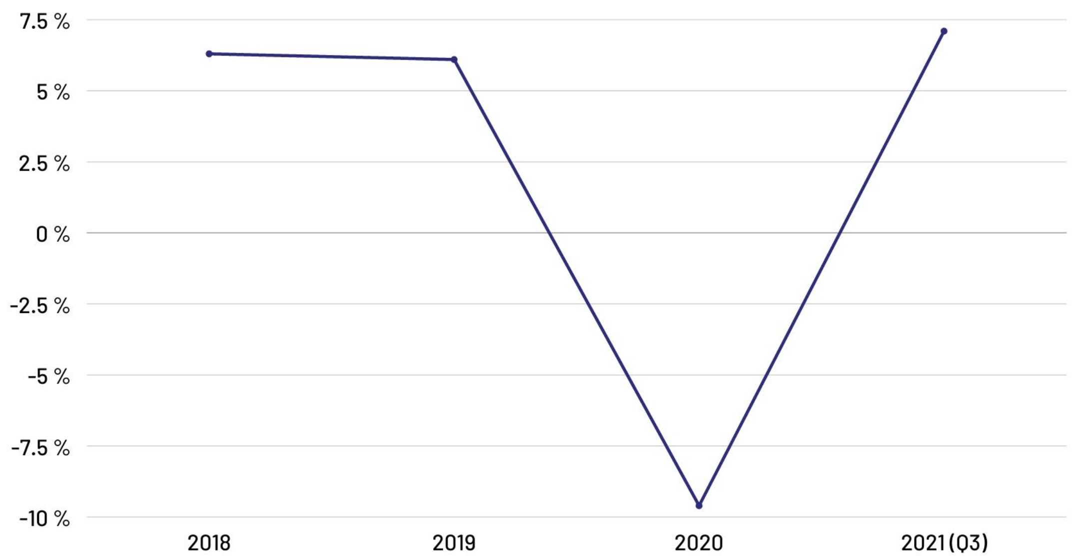
CURRENCY: Philippine peso (Php)

LANGUAGES: Filipino (official), English

RELIGIONS: Christianity, Islam

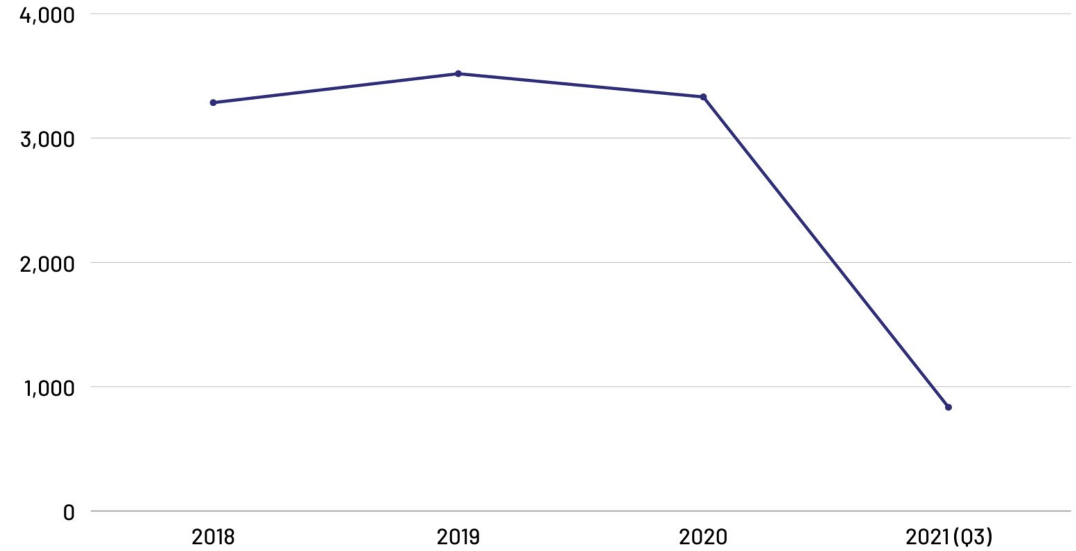
[1] Source: https://psa.gov.ph/

GDP Constant Prices (%):



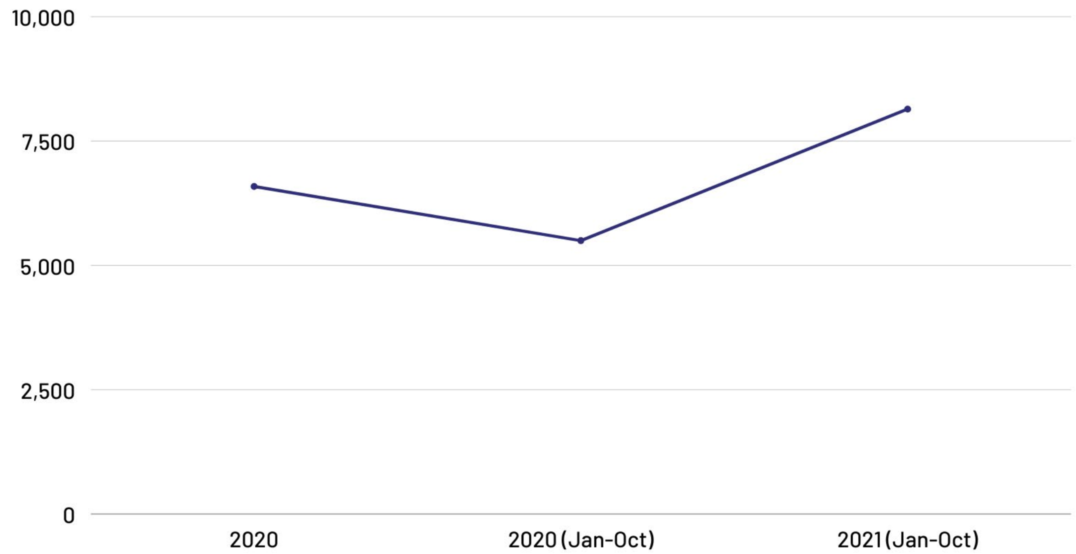
Source: Department of Trade and Industry, QuickStats

GDP Per Capita, current prices (US$)



Source: Department of Trade and Industry, QuickStats

Foreign Direct Investments, net inflows (current US$ M)



Source: Department of Trade and Industry, QuickStats

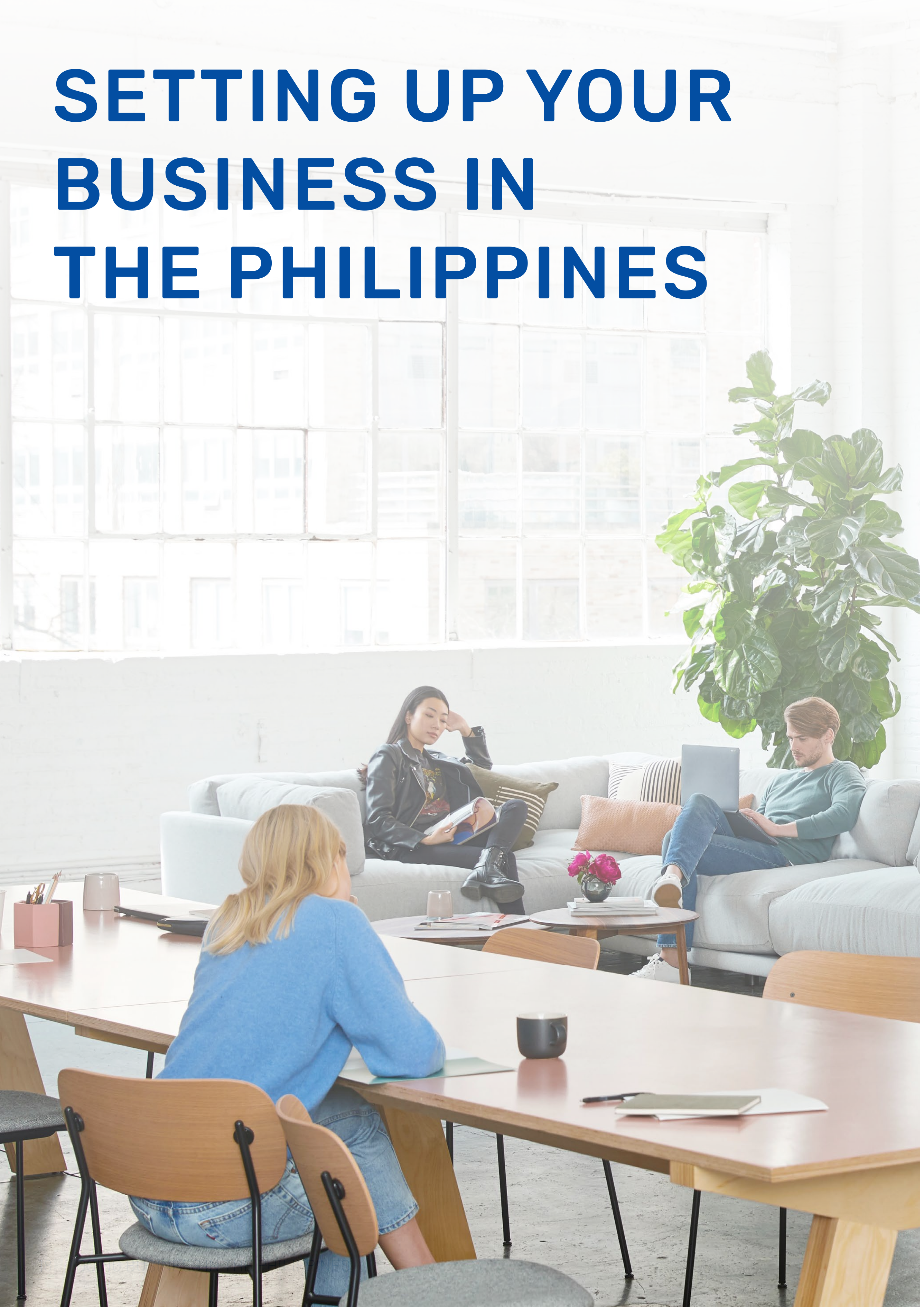
INDEX (2020 Data)	RANKING
IMD - World Competitiveness Yearbook	45/63
Doing Business Survey	95/190
Heritage Foundation	70/180

Source: Department of Trade and Industry, QuickStats;

Main FDI Investors (January-October 2021):	
Singapore	559.6
Japan	462.4
USA	94.2
Hong Kong	48.0
Germany	32.1

In US$ M

SETTING UP YOUR BUSINESS IN THE PHILIPPINES



CORPORATE VEHICLE

Foreign corporations intending to do business in the Philippines may consider either a stock corporation or a branch as their corporate vehicle.

CORPORATION

Any person, partnership, association, or corporation, singly or jointly with others but not more than 15 in number may organize a corporation for any lawful purpose/s. Incorporators who are natural persons must be of legal age. Each incorporator must own or be a subscriber to at least one share of the capital stock. *[Note: The Revised Corporation Code allows the setting up of what is called a One Person Corporation, which is a corporation with a single stockholder. The single stockholder shall be the sole director and the president. However, only a natural person, trust, or an estate may form a One Person Corporation.]*

In setting up a corporation, the Articles of Incorporation duly signed by the incorporators and the treasurer and acknowledged or authenticated in such form and manner as may be allowed by the Philippine Securities and Commission (SEC) should be filed with the SEC together with the other documentary requirements.

A corporation shall have perpetual existence unless its Articles of Incorporation provides otherwise.

The number of directors of a corporation shall not be more than 15. The directors shall be elected for a term of one year from among the holders of stocks registered in the corporation's books. Each director shall hold office until the successor is elected and qualified. A director who ceases to own at least one (1) share of stock shall cease to be such.

For certain corporations vested with public interest, the board of directors shall have independent directors constituting at least twenty percent (20%) of such board. An independent director is a person who, apart from shareholdings and fees received from the corporation, is independent of management and free from any business or other relationship which could or could reasonably be perceived to materially interfere with the exercise of independent judgment in carrying out the responsibilities as a director. Independent directors must be elected by the shareholders present or entitled to vote in absentia during the election of directors.

The corporate officers of a corporation shall be the president, treasurer, secretary, and such other officers as may be provided in the By-Laws. If the corporation is vested with public interest, a compliance officer should also be elected. There are requirements for any person to be elected to these positions.

BRANCH

To establish a branch, the foreign corporation should apply with the SEC for a license to transact business in the Philippines. The application shall be accompanied by, among other things, a copy of its Articles of Incorporation and By-Laws, certified in accordance with law, along with their translation into English, if necessary.

Another requirement will be the statement under oath of the corporation's president or any authorized person that the applicant is solvent and in sound financial condition. The application shall provide for the assets and liabilities of the corporation as of the date not exceeding one year immediately prior to the filing of the application.

Also attached to the application shall be a certificate under oath duly executed by the authorized official/s of the jurisdiction of its incorporation, attesting to the fact that the laws of the country or State of the applicant allow Filipino citizens and corporations to do business therein, and that the applicant is an existing corporation in good standing.

The foreign corporation should appoint a resident agent authorized to accept summons and process in all legal proceedings and all notices affecting the corporation, pending the establishment of the local office. The resident agent may be an individual residing in the Philippines and must be of good moral character and of sound financial standing. The resident agent may also be a domestic corporation lawfully transacting business in the Philippines. It must likewise be of sound financial standing and must show proof that it is in good standing as certified by the SEC.

There are special types of branches. One is the representative or liaison office which deals directly with the clients of the parent company but does not derive income from the host country and is fully subsidized by its head office. It undertakes activities such as but not limited to information dissemination and promotion of the company's products as well as quality control of products.

MINIMUM PAID-UP CAPITAL REQUIREMENTS

The Revised Corporation Code does impose minimum paid-up capital requirements for setting up corporations or branches. However, depending on the activity to be engaged in, special laws may apply that require a minimum paid-up capital.

FOREIGN OWNERSHIP

Pursuant to the Foreign Investments Act (FIA) of 1991, foreign ownership in an enterprise will be allowed up to 100% unless foreign ownership in the enterprise is prohibited or limited by the Foreign Investment Negative List (FINL). The FINL is the list of areas of economic activity where foreign ownership is limited to a maximum of 40% of the outstanding capital stock of a corporation.

Generally, foreign investment in export enterprises whose products and services are not in the FINL is allowed up to 100% ownership.

Under the 11th FINL, issued on 29 October 2018, foreign ownership in domestic market enterprises with paid-in equity capital of less than the equivalent of USD200,000.00 is limited to 40%. The paid-in equity capital threshold is reduced to USD100,000.00 if the domestic market enterprises use advanced technology or employ at least 50 direct employees.

As of this writing, the legislative amendments to the FIA have been enacted and are awaiting the signature of the Philippine President. It is expected that a new FINL will be issued.

PROCEDURE FOR SETTING-UP

The registration with the SEC is the first step for setting up a corporation or branch. Afterwards, the corporation or branch must be registered with the following:

1. Local government unit (LGU) having jurisdiction over the entity to secure the mayor's permit / business license and other related permits

2. Bureau of Internal Revenue (BIR) having jurisdiction over the entity

   The entity will also register with the BIR its manual books of accounts and secure an Authority to Print (ATP) for its manual invoices/official receipts. However, if the new entity wishes to use a computerized accounting system (CAS) or computerized books of account (CBA) and/or its components, the entity shall inform the BIR office where it is registered of its intention to use the same. The entity should submit the required documents referred to in Revenue Memorandum Order No. 9-2021. The BIR office will issue an Acknowledgement Certificate within three working days from receipt of the complete documentary requirements.

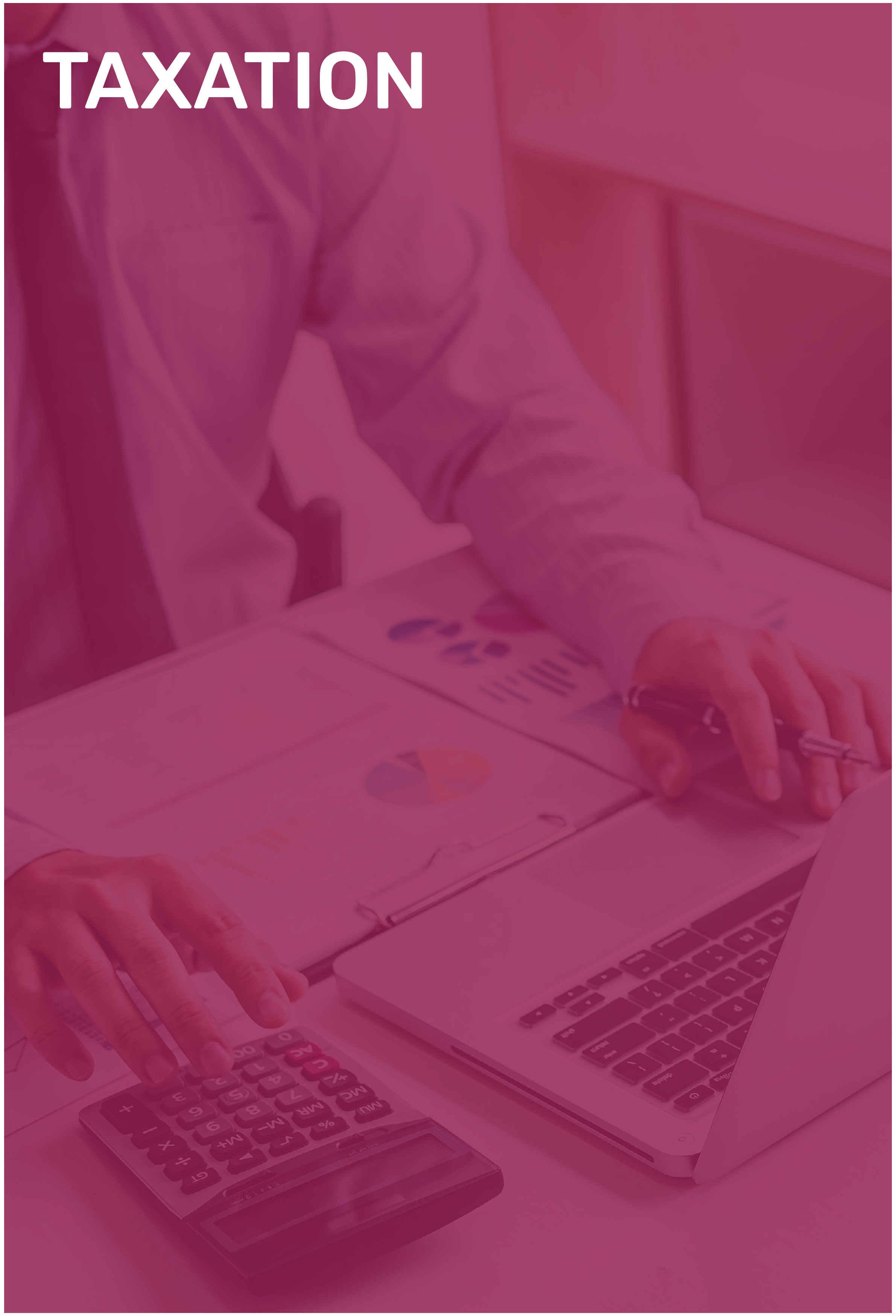
3. Social security agencies to comply with the social security laws imposing mandatory contributions for employees

If the entity will engage in a project or activity that may qualify for tax incentives, an application for the registration of the project or activity should be filed with the relevant Investment Promotion Agency (IPA) for purposes of availing of the tax incentives.

The foreign investment should be registered with the Bangko Sentral Ng Pilipinas (the Philippine Central Bank) if the foreign currency will be purchased from the Philippine banking system to repatriate/remit capital/ profits/dividends.

In the case of a branch, within 60 days after the issuance of the license to transact business in the Philippines, it shall deposit with the SEC for the benefit of present and future creditors in the Philippines securities satisfactory to the SEC with an actual market value of at least Php500,000.00 or such other amount that may be set by the SEC. This requirement shall not apply to foreign banking or insurance corporations.

TAXATION



PHILIPPINE TAX SYSTEM

TAXING AUTHORITY

The Philippines has two levels of taxation – national and local. At the national level, the government agencies that exercise taxing authority are the BIR and Bureau of Customs (BOC). The BIR administers the imposition and collection of internal revenue taxes such as the income tax and value-added tax (VAT). The BOC handles the assessment and collection of customs revenues from imported goods.

At the local level, the different LGUs – provinces, cities, municipalities, and *barangays* – exercise varying levels of taxation powers over persons under their jurisdiction.

CORPORATE INCOME TAX

General Tax Rates

Having taken effect on 11 April 2021, Republic Act (RA) No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises Act" or the CREATE Law, introduced

amendments to the National Internal Revenue Code (NIRC). The regular corporate income tax (RCIT) rate has been reduced from 30% to 25%, effective 01 July 2020.

However, the tax base and the income covered by the RCIT rate will depend on the type of corporation involved as shown in the table below:

Type of Corporation	Tax Base	Source of Income
Domestic corporations (i.e., created or organized under Philippine laws	Taxable Income	All sources within and without the Philippines
Branches / Resident Foreign corporations (i.e., engaged in trade or business in the Philippines)	Taxable Income	Philippine-sourced income
Non-Resident Foreign Corporations (i.e., not engaged in trade or business in the Philippines)	Gross Income	Philippine-sourced income

However, for domestic corporations, the RCIT is reduced to 20% in case they have net taxable income not exceeding Php5,000,000.00 and total assets not exceeding Php100,000,000.00, excluding the land on which the particular business entity's office, plant, and equipment are situated.

Note that there are special tax rates that could apply for certain corporations. An example is the case of hospitals which are nonprofit and proprietary educational institutions. These are subject to the 10% tax. However, the tax rate for them from 1 July 2020 to 30 June 2023 is 1%.

The term "taxable income" refers to gross income less allowable deductions. The allowable deductions are the following:

- Ordinary and necessary trade, business, or professional expenses
- Interest
- Taxes
- Losses
- Bad debts
- Depreciation
- Depletion of oil and gas wells and mines
- Charitable and other contributions
- Research and development
- Pension trusts.

In lieu of the above-enumerated deductions, domestic and resident foreign corporations may elect a standard deduction in an amount not exceeding 40% of its gross income.

Domestic and resident foreign corporations are required to file their income tax returns and pay the RCIT due. In contrast, the tax on non-resident foreign corporations is collected via the withholding tax mechanism. The income payments to them will be subject to a final withholding tax at the rate of 25% in general to be withheld and remitted to the BIR by the income payors.

Minimum Corporate Income Tax

Domestic and resident foreign corporations are liable for the minimum corporate income tax (MCIT) on their gross income, starting on the 4th year following the year in which such corporations commenced business operations, and when such MCIT is greater than the RCIT. Any excess of the MCIT over the RCIT shall be carried forward and credited against the RCIT for the three immediately succeeding taxable years.

Under the CREATE Law, the MCIT rate has been reduced from 2% to 1% effective on 01 July 2020 and until 30 June 2023.

Withholding Tax System

The corporation or the branch will be considered withholding agents required to withhold the applicable withholding tax on income payments to suppliers/ vendors. In case of failure to withhold and remit to the BIR the taxes withheld, the income payments may not be claimed as deductions for income tax purposes.

There are two types of withholding tax on income payments: the expanded withholding tax (also called creditable withholding taxes) and the final withholding tax.

Income payments subject to the expanded withholding tax are enumerated under the revenue regulations issued by the Secretary of Finance. These are income payments to natural or juridical persons residing in the Philippines. Beginning 01 January 2019, the EWT rates shall not be more than 15% of the income payment.

The expanded withholding tax is intended to equal or at least approximate the tax due from the payee on said income. The income recipient is still required to file an income tax return, to report the income and/or pay the difference between the tax withheld and the tax due on the income.

On the other hand, the income payments to the corporation or branch may be subject to the expanded withholding tax. The taxes withheld may be claimed as tax credits against the income taxes due from the corporation or branch. These credits should be properly substantiated.

On the other hand, subject to revenue regulations to be issued by the Secretary Finance, the final withholding tax may be required on certain items of income provided under the NIRC. The tax withheld by the withholding agent is constituted as a full and final payment of the income tax due from the payee on the said income. The payee is not required to file an income tax return for the particular income. Examples of the final withholding taxes are the 25% tax on income payments to non-resident foreign corporations and the 15% tax on profit remittances from a Philippine branch to its head office.

Tax Treaties

The Philippines has entered into a number of tax treaties with other tax jurisdictions. Under these tax treaties, tax exemptions or preferential tax rates may be availed of for income payments to non-resident corporations.

Foreign investors should consider whether they would avail of tax treaty benefits in relation to their investments in the Philippines. Tax treaty benefits could be a consideration in deciding the tax jurisdiction of their entity that will set up the corporation or branch office in the Philippines. A lower tax rate for dividends or branch profit remittances or an exemption from capital gains tax on sale of shares could be enjoyed. Potential tax treaty benefits could play a role also in structuring royalty or loan agreements.

Pursuant to the BIR's administrative rules, a Tax Treaty Relief Application (TTRA) or Request for Confirmation (RFC) should be filed with the BIR accompanied by the documentary requirements enumerated in Revenue Memorandum Order No. 14-2021. If the regular rates have been imposed on the said income, the nonresident shall file the TTRA with the BIR. When the treaty rates or exemptions have been applied by the income payor/withholding agent on the income earned by the nonresident, the income payor/withholding agent shall file with the BIR the RFC. The deadlines for filing the RFC are as follows:

Type of Income	Date of Filing
Capital Gains	At any time after the transaction but shall not be later than the last day of the fourth month following the close of the taxable year when the income is paid or when the transaction is consummated
Other types of income	At any time after the close of the taxable year but not later than the last day of the fourth month following the close of such taxable year when the income is paid or becomes payable, or when the expense/ asset is accrued or recorded in the books, whichever comes first.

One consolidated RFC per nonresident income recipient shall be filed, regardless of the number and type of income payments made during the year.

Transfer Pricing

Transfer pricing regulations were issued in early 2013. These regulations are patterned after the Organization for Economic Cooperation and Development ("OECD") Transfer Pricing Guidelines. These regulations require the transfer pricing documentation to be contemporaneous. The documentation may be in English. There is no requirement to translate the documentation into the local language.

To date, the Philippines has not adopted the Action 13 initiatives of the OECD on Base Erosion and Profit Shifting strategies. It has also not issued guidelines on Advanced Pricing Agreements and the implementation of the "Mutual Agreement Procedures" provisions of tax treaties.

Starting in 2020, BIR requires the following taxpayers to submit a related-party transaction disclosure form (BIR Form No. 1709) as an attachment to the annual income tax return:

- Large Taxpayers
- Taxpayers enjoying tax incentives
- Taxpayers reporting net operating losses for the current taxable year and the immediately preceding two (2) consecutive taxable years
- A related party which has transactions with the above.

Further, any of the above taxpayers should prepare the transfer pricing documentation if they meet any of the following materiality thresholds:

a. Annual gross sales/revenue for the subject taxable period exceeding Php150 Million and the total amount of related-party transactions with foreign and domestic related parties exceeds Php90 Million

   In computing this threshold, the following items shall be included:

   i. Amounts received and/or receivable from related parties or paid and/or payable to related parties during the taxable year but excluding compensation paid to key management personnel, dividends, and branch profit remittances; and

   ii. Outstanding balances of loans and non-trade amounts due from/to all related parties.

b. Related party transactions meeting the following materiality threshold:

   i. If involving sale of tangible goods in the aggregate amount exceeding Php60 Million within the taxable year

   ii. If involving service transaction, payment of interest, utilization of intangible goods or other related party transaction in the aggregate amount exceeding Php15 Million within the taxable year

c. If the transfer pricing documentation was required to be prepared during the immediately preceding taxable period for exceeding either (a) or (b) above.

Further, the transfer pricing documentation is not required to be attached to the related-party transaction disclosure form and/or annual income tax return. It will be submitted only when requested by the BIR during an investigation. Written agreements on related-party transactions should be in place as they are typically required to be submitted during an investigation.

For taxpayers that are not required to submit the related-party transaction disclosure form and prepare the transfer pricing documentation, it is still advisable to prepare the transfer pricing documentation if they have significant related-party transactions. Such documentation serves as a readily available defense in case of a transfer pricing investigation.

PERSONAL INCOME TAX

For personal income tax purposes, the tax rates, and the income to be taxed depend on the profile of the individual taxpayer as shown by the table below:

Taxpayer	*Source of Income*	*Tax Rates*	*Tax Base*
Resident citizens	Philippine and non-Philippine sources	Graduated rates from 0% to 35%	Taxable Income
Non-resident citizens, including citizens working and deriving income from abroad as overseas contract workers	Philippine sources only		
Alien Individuals • Resident	Philippine sources only		
• Non-resident engaged in trade or business			
• Non-resident not engaged in trade or business		25%	Gross Income

Compensation for labor or personal services rendered in the Philippines is considered Philippine-sourced.

Nevertheless, under the tax treaties entered into by the Philippines with other jurisdictions, a tax treaty exemption may be available under certain conditions for remuneration or income derived by a foreign individual for personal (including professional) services performed in the Philippines.

Employers are considered withholding agents required to withhold taxes on compensation and other benefits paid to employees.

Multinational companies investing in the Philippines may have global mobility programs and policies. These should be reviewed for Philippine tax and immigration implications affecting employees assigned in the Philippines.

VALUE-ADDED TAX

The VAT is imposed on any person who, in the course of trade or business, sells, barters, exchanges, leases goods or properties or renders services and on any person who imports goods.

The VAT is an indirect tax and the amount of tax may be shifted and passed on to the buyer.

The phrase "in the course of trade or business" means the regular conduct or pursuit of a commercial or an economic activity including transactions incidental thereto by any person regardless of whether or not the person engaged therein is a nonstock, nonprofit private organization (irrespective of the disposition of its net income and whether or not it sells.-Notwithstanding the rule of regularity, services rendered in the Philippines by nonresident foreign persons shall be considered as being rendered in the course of trade or business.

In general, the VAT rate is 12%. In certain instances, the VAT rate may be 0% or the transaction may be VAT-exempt. Taxpayers subject to 12% or 0% must be registered with the BIR as VAT persons. They may use the VAT paid/incurred on their purchases (the input VAT) as credits against the output VAT due. Or if they have zero-rated sales, they can apply within the required period for the refund of the input VAT attributable to zero-rated sales. In contrast, taxpayers that qualify for a VAT exemption are registered with the BIR as non-VAT persons and should treat the 12% VAT paid/incurred on their purchases as part of their cost/expenses. They are not allowed to file an application for refund of the input VAT.

The 12% VAT is based on the gross selling price in the case of sale of goods and on the gross receipts in the case of sale of services. In the case of importation, the 12% VAT is based on the total value used by the BOC in determining tariff and customs duties plus customs duties, excise tax (if any) and other charges. If the customs duties are determined on the basis of the quantity or volume of goods, the 12% VAT shall be based on the landed cost plus excise taxes (if any).

In case of services rendered in the Philippines by non-residents or of payments for the lease or use of properties or property rights to nonresident owners, the 12% VAT shall be withheld at the time of payment by the payor and remitted to the BIR.

A withholding of a 5% VAT shall be made in the case of payments by the government or any of its political subdivisions, instrumentalities, or agencies, including government-owned or -controlled corporations on account of each purchase of goods or services which are subject to VAT. Effective 01 January 2021, the 5% withholding VAT has shifted from a final VAT to a creditable VAT.

The rules for claiming input VAT credits are aligned with the rules on when output VAT liability arises. Input VAT should also be properly substantiated as follows:

- For domestic purchases of goods and properties — VAT invoice
- For domestic purchases of services — VAT official receipt
- For the importation of goods – import entry or other equivalent document showing actual payment of VAT on the imported goods.
- Input tax from payments made to non-residents (such as for services, rentals and royalties)- a copy of the "Monthly Remittance Return of Value Added Tax Withheld (BIR Form 1600)" filed by the resident payor on behalf of the non-resident evidencing remittance of VAT due which was withheld by the payor.

Special rules apply on the claiming of input VAT paid/incurred on purchases of capital goods which are depreciable assets for income tax purposes. Up to 31 December 2021, the taxpayer should amortize the input VAT paid/incurred on purchases of capital goods with aggregate acquisition cost (exclusive of VAT) in a calendar month exceeding Php1 Million. This is regardless of the acquisition cost of each capital good. If the aggregate acquisition cost (exclusive of VAT) during any calendar month does not exceed Php1 Million, the total input taxes will be allowable as credit against output tax in the month of acquisition. The aggregate acquisition cost of a depreciable asset in any calendar month refers to the total price agreed upon for one or more assets acquired and not on the payments actually made during the calendar month.

However, the amortization shall be allowed only until 31 December 2021. Nevertheless, taxpayers with unutilized input VAT on capital goods purchased/imported shall be allowed to apply the same as scheduled until fully utilized.

Taxpayers should ensure compliance with the BIR's invoicing or substantiation requirements. Non-compliant invoices/official receipts could lead to disallowance by the BIR of zero-rated sales or of the input VAT credits being claimed.

LOCAL TAXES

The Philippine legislature through the Local Government Code (LGC) has granted the LGUs the power to create their sources of revenues and levy taxes, fees, and charges subject to the provisions of the LGC. To implement this, the LGUs will enact their local tax ordinances at rates not exceeding those provided in the LGC. The corporation or branch should check the local tax ordinances issued by the LGU having jurisdiction over it.

Cites and municipalities may impose taxes on businesses at a certain percentage of gross sales or receipts. This local business tax (LBT), for example, may be imposed on manufacturers or assemblers. In the case of municipalities, under the LGC, the top LBT rate for manufacturers or assemblers is 37.5% of 1% if the manufacturers or assemblers have gross sales/receipts for the preceding calendar year in the amount of Php6.5 Million or more. For distributors and contractors, under the LGC, the top LBT rate to be imposed by municipalities is 50% of 1% if gross sales/receipts for the preceding calendar year amount to Php2 Million or more. However, in the case of cities, the LBT rates they may impose may exceed the maximum rates allowed for municipalities by not more than 50%.

Further, under the LGC, cities and municipalities may levy a community tax on individuals and juridical persons. In the case of the latter, the annual community tax is Php500.00. An annal additional tax not exceeding Php10,000.00 may be imposed in accordance with the following schedules:

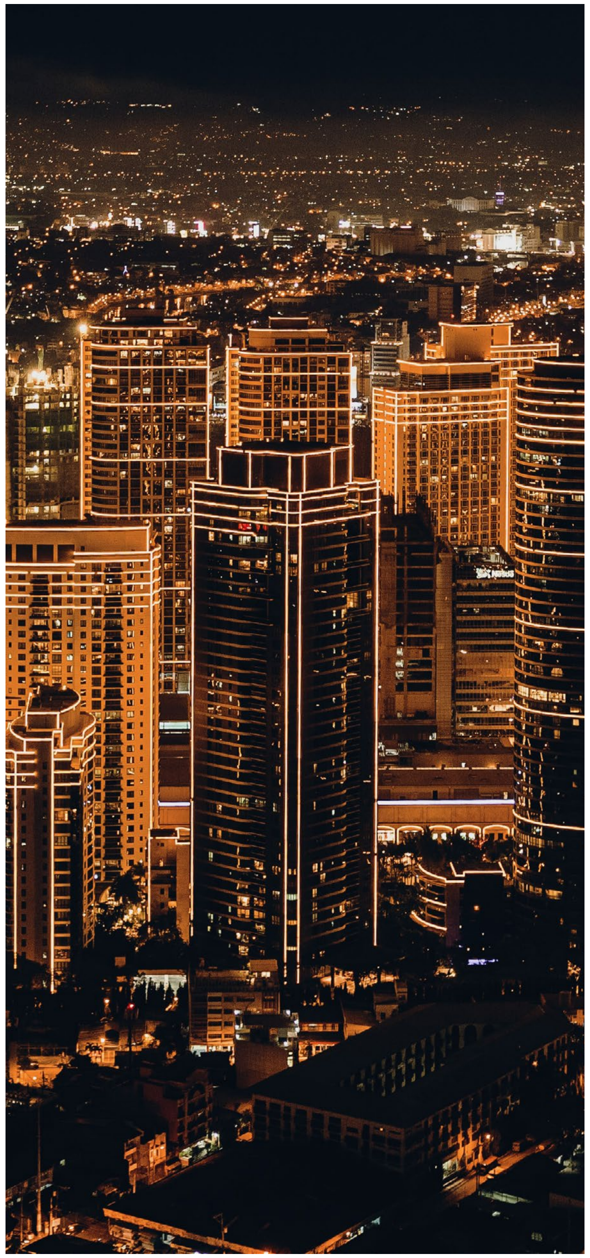
- For every Php5,000.00 worth of real property in the Philippines owned by it – Php2.00
- For every Php5,000.00 of gross receipts/ earning derived from business - Php2.00

Moreover, a province or city or a municipality within the Metropolitan Manila Area may levy a basic real property tax (RPT) on real property such as land, building, machinery, and other improvement not specifically exempted. The RPT rates should not exceed 1% of the assessed value of the real property in the case of provinces and 2% of the assessed value in the case of cities or municipalities within the Metropolitan Manila Area.

In addition to the basic RPT, an annual tax of 1% of the assessed value of the real property may be levied, with the proceeds exclusively accruing to the Special Education Fund ("SEF").

CUSTOMS DUTIES

Goods imported into the Philippines are subject to duty and tax upon importation, including goods previously exported from the Philippines, except as otherwise provided for under the Customs Modernization and Tariff Act (CMTA) or other laws.



TAX INCENTIVES

The CREATE Law has introduced a new tax incentive regime. For the availment of tax incentives, a business enterprise should register with the concerned IPA to engage in a project or activity included in the Strategic Investment Priority Plan ("SIPP"). The qualifications set forth in the SIPP must be satisfied. As of this writing, the SIPP has not yet been issued. In the meantime, the 2020 Investments Priority Plan will be considered as the transitional SIP.

The incentives are the following:

1. *Income tax holiday ("ITH")*

   The period of availment of the ITH will depend on the type of registered business enterprise (i.e. whether an export enterprise or a domestic market enterprise), its location, and industry. Export enterprises can enjoy an ITH for four to seven years. A domestic market enterprise can enjoy an ITH for four to seven years.

2. *Special Corporate Income Tax (SCIT) at the rate of 5% based on gross income earned ("GIE") in lieu of all national and local taxes.*

The enterprise must remit the tax as follows:

- 3% to the National Government
- 2% to the treasurer's office of the municipality or city where the enterprise is located.

  Gross income refers to gross sales or gross revenues derived from the registered project/activity, net of sales discounts, sales returns and allowances and minus costs of sales or direct costs but before any deduction is made for administrative expenses or incidental losses during a given taxable year. The following are considered the direct costs:

- Direct salaries, wages, or labor expenses
- Production supervision salaries
- Raw materials used in the manufacture of products
- Goods in process (intermediate goods)
- Finished goods
- Supplies and fuels used in production
- Depreciation of machinery, equipment, and building, directly and exclusively used in the rendition/production of registered activity, and of that portion of the building owned or constructed that is directly and exclusively related in the rendition/production of the registered activity
- Rent and utility charges associated with building, equipment, and warehouses, or handling of goods used directly and exclusively in the rendition/production of registered activity
- Financing charges associated with fixed assets used directly and exclusively in the registered activity the amount of which were not previously capitalized
- Service supervision salaries
- Direct materials and supplies used.

  Only export enterprises may avail of the SCIT after the ITH. The availment will be for ten years. However, in availing of the SCIT, export enteprises will not be allowed anymore to enjoy the enhanced deductions (EDs). The option to avail of either SCIT or the EDs after the ITH period shall be exercised by the export enterprise at the time of application for registration of the project / activity with the concerned IPA. Such option (SCIT or ED) shall be irrevocable for the entire duration of entitlement to such incentives.

3. *Enhanced deductions (EDs) in addition to the ordinary and necessary deductions*

- Depreciation allowance of the assets acquired for production of goods and services (10% for buildings and 20% for machinery and equipment)
- 50% additional deduction on labor expense incurred
- 100% additional deduction on research and development expense
- 100% additional deduction on training expenses incurred
- 50% additional deduction on domestic input expense incurred
- 50% additional deduction on power expense incurred
- Deduction for reinvestment allowance to the manufacturing industry
- Enhanced Net Operating Loss Carry-Over ("NOLCO") – The registered enterprise may carry over as deduction the net operating loss incurred during the first three years from the start of commercial operations within the next five consecutive taxable years immediately following the year of such loss.

Export enterprises and domestic market enterprises are allowed to avail of the EDs after the ITH period for ten years and five years, respectively.

Below is a table showing the period of the enjoyment of the ITH, SCIT, and EDs:

Registered Enterprise	***Tax Incentive***	***Period***
Export Enterprise	ITH	Four to seven years
	SCIT or ED	Ten years
Domestic Market Enterprise	ITH	Four to seven years
	ED	Five years

In determining the duration of the ITH, the location of the registered business enterprise (RBE) will be prioritized according to the level of development as follows: (1) National Capital Region (NCR); (2) metropolitan areas or areas contiguous and adjacent to the NCR; and (3) all other areas.

Further, the industry of the RBE will be prioritized according to the national industrial strategy specified in the SIPP. There will be three tiers, with each tier covering the activities as shown in the table below:

Tier I	***Tier II***	***Tier III***
activities that: i. have high potential for job creation ii. take place in sectors with market failures resulting in under-provision of basic goods and services iii. generate value creation through innovation, upgrading or moving up the value chain iv. provide essential support for sectors that are critical to industrial development; or v. are emerging owing to potential comparative advantage	activities that produce supplies, parts and components, and intermediate services that are not locally produced but are critical to industrial development and import-substituting activities, including crude oil refining	activities shall include: vi. research and development resulting in demonstrably significant value-added, higher productivity, improved efficiency, breakthroughs in science and health, and high-paying jobs; vii. generation of new knowledge and intellectual property registered and/or licensed in the Philippines; commercialization of patents, industrial designs, copyrights and utility models owned or co-owned by a registered business enterprise viii. highly technical manufacturing; or ix. are critical to the structural transformation of the economy and require substantial catch-up efforts.

The table below shows the duration of the ITH, SCIT, and ED depending on the type of enterprise, location, and industry:

	Export Enterprise Activities			**Domestic Market Enterprise Activities**		
Location	**TIER I**	**TIER II**	**TIER III**	**TIER I**	**TIER II**	**TIER III**
NCR	4 ITH + 10 SCIT/ED	5 ITH + 10 SCIT/ED	6 ITH + 10 SCIT/ED	4 ITH + 5 ED	5 ITH + 5 ED	6 ITH + 5 ED
Metropolitan Areas or areas contiguous or adjacent NCR	5 ITH + 10 SCIT/ED	6 ITH + 10 SCIT/ED	7 ITH + 10 SCIT/ED	5 ITH + 5 ED	6 ITH + 5 ED	7 ITH + 5 ED
All other Areas	6 ITH + 10 SCIT/ED	7 ITH + 10 SCIT/ED	7 ITH + 10 SCIT/ED	6 ITH + 5 ED	7 ITH + 5 ED	7 ITH + 5 ED

The RBE should avail of the income tax-based incentives from the actual start of commercial operations and within three years from the date of registration with the IPA.

In addition to the incentives above-mentioned, projects or activities of RBEs located in areas recovering from armed conflict or a major disaster shall be entitled to two additional years of ITH, subject to the following:

- Declaration of the President or his/her authorized representatives of the existence of an armed conflict or a major disaster, including pandemic, epidemic, super typhoon, or other analogous circumstances; or
- The issuance of a presidential directive for the implementation of recovery programs of the affected area or areas.

A registered project or activity that will completely relocate from NCR during the period of their incentives, shall be entitled to three additional years of ITH to commence at the completion of the relocation of operations.

4. *Customs duty exemption on the importation of capital equipment, raw materials, spare parts, and accessories for the registered activity for a maximum period of 17 years and 12 years, respectively, for export enterprises and domestic market enterprises, counted from the date of registration.*

The following conditions should be complied with:

- The duty exemption shall apply only to capital equipment, raw materials, spare parts, or accessories directly and exclusively used in the registered project or activity.
- The capital equipment, raw materials, spare parts, or accessories:
  - are directly and reasonably needed by the registered business enterprise
  - will be used exclusively in and as part of the direct cost of the registered project or activity of the RBE
  - are not produced or manufactured domestically in sufficient quantity or of comparable quality and at reasonable prices.
- The approval of the IPA must be obtained prior to the importation of the goods.

5. *VAT exemption on importation and VAT zero-rating on local purchases with respect to goods and services directly and exclusively used in the registered project or activity of export enterprises for a maximum period of 17 years from the date of registration*

Prior to the filing of the income tax return, the RBE shall apply with the concerned IPA for the issuance of a "Certificate of Entitlement to Tax Incentives" (CETI). Upon verification of the compliance by the RBE with the terms and conditions of its registration and the payment of the corresponding fee, the CETI shall be issued by the concerned IPA and which shall be attached to the income tax return filed with the BIR.

TAX FILING DEADLINES

FILING DEADLINES RELATED TO INCOME TAXES

Type of Tax Return	*BIR Form No.*	*Filing Deadline*
Quarterly Income Tax Return	1702-Q	On or before the 60^{th} day following the close of each quarter for the first three quarters of the taxable year
Annual Income Tax Return	1702-RT, 1702-MX, and 1702-EX, whichever is applicable	On or before the 15^{th} day of the fourth month following the close of the corporation's taxable year
Monthly Remittance Form for Creditable Income Taxes Withheld (Expanded)	0619-E	For Non-Electronic Filing and Payment System (eFPS) taxpayers: on or before the 10^{th} day following the month in which withholding was made For eFPS taxpayers: on or before the 15^{th} day following the month in which withholding was made (but depending on the industry grouping)
Monthly Remittance Form of Final Income Taxes Withheld	0619-F	For Non-eFPS taxpayers: on or before the 10^{th} day following the month in which withholding was made For eFPS taxpayers: on or before the 15^{th} day following the month in which withholding was made (but depending on the industry grouping)
Quarterly Remittance Return of Creditable Income Taxes Withheld (Expanded)	1601-EQ	On or before the last day of the month following the close of the quarter during which the withholding was made
Quarterly Remittance Return of Final Income Taxes Withheld	1601-FQ	On or before the last day of the month following the close of the quarter during which the withholding was made
Monthly Remittance Return of Income Taxes Withheld on Compensation	1601-C	For Non-eFPS taxpayers: on or before the 10^{th} day following the month in which withholding was made For eFPS taxpayers: on or before the 15^{th} day following the month in which withholding was made (but depending on the industry grouping)
Annual Information Return of Creditable Income Taxes Withheld	1604-E	On or before 1 March of every year
Annual Information Return of Income Payments Subjected to Final Withholding Taxes	1604-F	On or before 31 January of every year
Annual Information Return of Income Taxes Withheld on Compensation	1604-C	On or before 31 January of every year

The annual income tax return of an individual shall be filed on or before the 15th day of April of each year covering income for the preceding taxable year.

OTHER BIR FILING DEADLINES

Type of Tax Return	BIR Form No.	Filing Deadline
Monthly VAT Declaration	2550-M	For Non-eFPS taxpayers: on or before the 20th day following the end of each month For eFPS taxpayers: on or before the 25th day following the end of each month (but depending on industry grouping)
Quarterly VAT Return	2550-Q	on or before the 25th day of the month following the close of the taxable quarter
Annual Registration Fee	0605	On or before 31 January of every year

Taxpayers should be mindful of other filing deadlines for other types of tax returns such as documentary stamp tax, fringe benefits tax, percentage tax, or excise tax.

PAYMENT DEADLINES OF LOCAL TAXES

The local taxes shall accrue on the first day of January each year. The table below shows the payment deadlines:

Type of Tax	Time of Payment
LBT	within the first 20 days of January or of each subsequent quarter, as the case may be
Community Tax	not later than the last day of February of each year
RPT (basic and the additional tax for the SEF)	In four equal installments: First - on or before 31 March Second - on or before 30 June Third - on or before 30 September Fourth – on or before 31 December

CUSTOMS DUTIES

Customs duties should be paid prior to the release of the imported goods from customs custody.

GENERAL REPORTORIAL REQUIREMENTS

BIR

Corporations with gross annual sales, earnings, receipts or output exceeding Php3,000,000.00 shall have their books of accounts audited and examined yearly by an independent Certified Public Accountant (CPA) and their income tax returns accompanied with a duly accomplished Account Information Form (AIF), which shall contain among others information lifted from certified balance sheets, profits and loss statements, schedules listing income-producing properties and the corresponding income therefrom and other relevant statements.

SEC

Every corporation, whether domestic or foreign, shall submit to the SEC the following:

1. Annual financial statements audited by an independent CPA - However, if the total assets or total liabilities of the corporation are less than Php600,000.00, the financial statements shall be certified under oath by the corporation's treasurer or chief financial officer.

2. A general information sheet.

Further, corporations vested with public interest must also submit the following:

1. A director compensation report

2. A director appraisal or performance report and the standards or criteria used to assess each director.

The reportorial requirements shall be submitted annually and within such period as may be prescribed by the SEC.

In the case of the branch, within six months after each taxable year, the SEC shall require the deposit of additional securities equivalent in actual market value to 2% of the amount by which the gross income of the branch for that taxable year exceeds Php10,000,000.00.00. The SEC shall also require the deposit of additional securities if the actual market value of the deposited securities has decreased by at least 10% of their actual market value at the time they were deposited.

LGUs

LGUs requires business under their jurisdiction to renew annually the mayor's permit/busines licenses on or before the 20th of January every year.

UNDER CREATE LAW

RBEs availing of tax incentives shall, within 30 calendar days from the statutory deadline for filing of tax returns and payment of taxes, submit to their respective IPAs the following:

1. Complete Annual Tax Incentives Report of their income-based tax incentives, VAT exemptions and zero-rating, customs duty exemptions, deductions, credits or exclusions from the income tax base, and exemptions from local taxes

2. Complete annual benefits report which shall include data such as, but not limited to, the approved and actual amount of investments, approved and actual employment level and job creation including information on quality of jobs and hiring of foreign and local workers, approved and actual exports and imports, domestic purchases, profits and dividend payout, all taxes paid, withheld and foregone.

In addition to the above, the BIR, SEC, and other government agencies may impose other reporting requirements.

LIST OF ACRONYMS

ABS - Asset-Backed Securities
ADR Act - Alternative Dispute Resolution Act of 2004
AEP - Alien Employment Permit
ARMM – Autonomous Region of Muslim Mindanao
ASEAN - Association of Southeast Nations
BCDA - Bases Conversion and Development Authority
BIMP-EAGA – Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area
BIR – Bureau of Internal Revenue
BOC – Bureau of Customs
BOI – Board of Investments
BOT - Build-Operate and Transfer
BSP - Bangko Sentral ng Pilipinas (Central Bank of the Philippines)
CAM - Court-Annexed Mediation
CBA - Collective Bargaining Agreement
CDC - Clark Development Corporation
CIAC - Construction Industry Arbitration Commission
CPE – Customer Premises Equipment
CRO - Contract Research Organizations
CSEZ - Clark Special Economic Zone
DENR - Department of Environment and Natural Resources
DOE – Department of Energy
DOJ – Department of Justice
DOLE – Department of Labor and Employment
DPA - Data Privacy Act
DTI - Department of Trade and Industry
EC - Employees' Compensation
ECC - Environmental Compliance Certificate
EFTA - European Free Trade Association
EIA - Environmental Impact Assessment
EIS - Environmental Impact Statement
EMB - Environmental Management Bureau
EP – Exploration Permit
EPIRA - Electric Power Industry Reform Act of 2001
ERC – Energy Regulatory Commission
FDA - Food and Drug Administration
FIA – Foreign Investments Act of 1991
FIA IRR – Foreign Investments Act Implementing Rules and Regulation
FLSP - Financial Liquidation and Suspension of Payments
FRIA – Financial Rehabilitation and Insolvency Act
FTA – Free Trade Agreement
FTAA - Financial or Technical Assistance Agreement
GDRP - General Data Protection Regulation
GSP+ - Generalized System of Preferences Plus
HDMF - Home Development Mutual Fund
IB – Inclusive Business models
IC - Insurance Commission
IC – Integrated Circuits
IEE – Initial Environmental Examination
IP Code - Intellectual Property Code of the Philippines
IPO - Intellectual Property Office
IPP - Investments Priorities Plan
IRR – Implementing Rules and Regulations
IT – Information Technology
JDR - Judicial Dispute Resolution
JVA - Joint Venture Agreements
LGU – Local Government Unit
LTO – License to Operate
M&A - Mergers and Acquisitions
MCTC - Municipal Circuit Trial Courts
Med-Arb - Mediation-Arbitration
MeTC – Metropolitan Trial Courts
MORFXT - Manual of Regulations on Foreign Exchange Transactions
MPP - Mineral Processing Permit
MPSA – Mineral Production Sharing Agreement
MRO - Maintenance, Repair, and Overhaul
MTC - Municipal Trial Courts
MTCC - Municipal Trial Courts in Cities
NGCP - National Grid Corporation of the Philippines
NPC - National Privacy Commission
NREB - National Renewable Energy Board
NTC - National Telecommunications Commission
OCRA - Out-of-Court Restructuring Agreements
OIC - Omnibus Investments Code
PA – Provisional Authority
PCA - Philippine Competition Act
PCBA – Philippine Contractors Accreditation Board
PCC - Philippine Competition Commission
PD – Presidential Decree
PDRCI - Philippine Dispute Resolution Center, Inc.
PEZA - Philippine Economic Zone Authority
PhilHealth - Philippine Health Insurance Corporation
PHP – Philippine Peso
PHREB - Philippine Health Research Ethics Board
PNHRS - Philippine National Health Research System
PPP – Public Private Partnership
PRA – Philippine Retirement Authority
PTE - Public Telecommunications Entity
RA – Republic Act
RE Act - Renewable Energy Act of 2008
RHQ – Regional Headquarters
ROHQ - Regional Operating Headquarters
SBMA - Subic Bay Metropolitan Authority
SEC – Securities and Exchange Commission
SRC - Securities Regulation Code
SSS - Social Security System
SFZ - Subic Freeport Zone
SIRV - Special Investor's Resident Visa
SPE - Special Purpose Entity
SRRV – Special Resident Retiree's Visa
SSEZ - Subic Special Economic Zone
SWP - Special Work Permit
TRANSCO - National Transmission Corporation
TRIPS - Trade Related Aspects of Intellectual Property Rights
TTA - technology transfer arrangement
UITF – Unit Investment Trust Fund
UNCITRAL - United Nations Commission on International Trade Law
VAS – Value Added Services
VAT – Value Added Tax
VoIP – Voice-Over Internet Protocol

DIRECTORY OF PARTNERS

CONTENT PARTNER

KPMG

R.G. Manabat & Co.

COMPANY PROFILE:

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

We adopt a global approach spanning professional disciplines, industry sectors and national borders. The diverse public and private sector backgrounds of our partners and principals, coupled with extensive training, and backed up by the wide knowledge resources and network of KPMG professionals, allow the firm to give real-world solutions to increasingly complex business and regulatory issues.

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Email: ph-inquiry@kpmg.com

Website: home.kpmg/ph

COMMUNICATIONS PARTNER

HAPTIC

COMPANY PROFILE:

Haptic PR is a full-service public relations and communications management firm that brings your company to the forefront using tailored techniques through creative writing, publicity, press, and social media. We protect and highlight your brand by building a distinct presence and providing you with a competitive edge in terms of reach, while also developing long-term positive connections through stories, dialogues, and experiences. By sustaining messaging, personas, and heightened experiences that deliver on your promise and boost your exposure, Haptic PR guarantees that your brand stands out among the rest.

For more details on Haptic PR's services, please visit **https://www.haptic.ph/**, e-mail **paula@haptic.ph**, call **0917 624 4416 | (02) 8288 1440**, or follow **Haptic.PH** on Facebook and Instagram.

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CONTACT INFORMATION:

Tel: (02) 8288 1440 | 0917 624 4416

E-mail: paula@haptic.ph

Website: https://www.haptic.ph/

COMPANY PROFILE:

Du-Baladad and Associates (BDB Law) is a premier tax law firm in the country that offers services around 3 major areas of practice – TAX, LEGAL and CONSULTING.

For more than a decade, BDB Law is consistently ranked as an outstanding and highly recommended firm in the field of taxation by international awarding bodies such as International Tax Review, Chambers and Partners, AsiaLaw Profiles among others. These are affirmations of the consistent quality and high-value services the firm provides to its clients.

BDB Law is an exclusive member firm of WTS Global, a European TIER 1 global tax network represented in over 100 countries.

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COMPANY PROFILE:

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 156 countries with over 295,000 people who are committed to delivering quality in assurance, advisory and tax services.

Isla Lipana & Co. is the Philippine member firm of PwC, rendering professional services in the country for 99 years. Other PwC Philippines member firms are Cabrera and Company, PricewaterhouseCoopers Consulting Services Philippines Co. Ltd., and PricewaterhouseCoopers Business Services Philippines Co. Ltd.

We have 34 partners and principals, and all above-mentioned firms have over 1,800 professional and support staff.

ADDRESS:

29th Floor Philamlife Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines

CONTACT INFORMATION:

Tel: +63 (2) 8845 2728

Fax: +63 (2) 8845 2806

Email: ph_markets@pwc.com

Website: www.pwc.com/ph

COMPANY PROFILE:

HSBC has been operating in the Philippines for 146 years and is a leading international bank in the country. It serves its customers through three global businesses: Wholesale Banking, Global Banking and Markets, and Wealth and Personal Banking. The Bank has a network of 8-strong branches located in Metro Manila, Cebu and Davao, including those of the locally incorporated HSBC Savings Bank, and a Global Service Centre servicing local and international HSBC markets.

ADDRESS:

3058 Fifth Avenue West Bonifacio Global City, Taguig City 1634

CONTACT INFORMATION:

Website: https://www.hsbc.com.ph/

COMPANY PROFILE:

JEG Development Corporation is a homegrown real estate commercial and residential developer in Cebu City. JDC is regarded to be one of the frontrunners of sustainability and green real estate in the Philippines. With its impressive portfolio of sustainable developments, the company has become one of the pioneers of renewable energy in the Visayan region.

ADDRESS:

Room 211, TPE Building, Gov. M. Cuenco Ave, Cebu City, Philippines 6000

CONTACT INFORMATION:

Tel: (+63) 917-565-3547

Website: www.jegtower.com

Facebook: www.facebook.com/jegtoweratoneacacia

COMPANY PROFILE:

Mazars is a leading international audit, tax and advisory firm. Operating as a united partnership, we work as one integrated team, leveraging expertise, scale, and cultural understanding to deliver exceptional and tailored services.

Founded in Europe, we have grown into a global, connected partnership of over 42,000 professionals with a presence in over 90 countries and territories. We have the skills and the scale to serve clients of all sizes, across all industries, while remaining agile, personal, and distinct in our approach.

In the Philippines, Mazars specializes in audit and assurance, tax compliance, accounting, business registration, corporate secretarial, and payroll outsourcing.

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CONTACT INFORMATION:

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E-mail: contactus@mazars.ph

Website: www.mazars.ph

Global reach
Local knowledge

COMPANY PROFILE:

TMF Group in the Philippines has a strong team of specialists in accounting, corporate secretarial services, tax, HR & payroll, servicing clients locally and internationally. We provide a full range of corporate services to help reduce risks, improve compliance, better control costs and simplify operations.

We have helped many companies set up operations locally as well as helping them expand operations globally. We build strong partnerships with clients, working closely together to achieve growth and expansion objectives.

ADDRESS:

24th Floor Philam Life Tower, 8767 Paseo de Roxas Avenue, Makati City 1226 PHILIPPINES

CONTACT INFORMATION:

Janis Maghinay - Managing Director

Mobile: +63 9176351601

Email: Janis.Maghinay@tmf-group.com

Website: tmf-group.com

COMPANY PROFILE:

Pacific Cross is a leading provider of Medical, Travel, HMO, and Personal Accident Insurance in the Philippines, and we are #HereForYou to help protect what is most precious to you. Pacific Cross Medical Plans offer a wide range of health benefits such as coverage for hospital confinement, out-patient treatment, emergencies, and viral illnesses including COVID-19, among many others. Since 1949, we remain to be relevant and adaptive to answer the insurance needs of our clients amidst changing times. 2018 Insurance Commission (IC) rankings showed Pacific Cross as the industry leader in non-life health insurance with more than half of the premiums earned. 2019 IC rankings put Pacific Cross in the top 5 out of 58 non-life insurance companies in terms of Premiums Earned and Net Premiums Written – proof that Pacific Cross brings value and peace of mind to our clients.

For more details on Pacific Cross products and services, please visit www.pacificcross.com.ph, e-mail info@pacificcross.com.ph, call +63 2 8230-8511 or follow PacificCrossPH on Facebook and @pacificcrossphofficial on Instagram.

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