



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
FISCAL INCENTIVES REVIEW BOARD
MANILA

MEMORANDUM

FOR : All Heads of Investment Promotion Agencies and Registered Business Enterprises (RBEs) in the Information Technology – Business Process Management (IT-BPM) Sector

FROM : **SECRETARY CARLOS G. DOMINGUEZ**
Chairman, Fiscal Incentives Review Board

SUBJECT : Guidelines to monitor the compliance with the conditions prescribed under Fiscal Incentives Review Board (FIRB) Resolution No. 19-21 on the work-from-home arrangement for Registered Business Enterprises (RBEs) in the IT-BPM sector

Pursuant to Rule 16, Section 2(a) of the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act implementing rules and regulations, the following guidelines are issued to monitor the compliance with the conditions prescribed under FIRB Resolution No. 19-2021.

- A. RBEs of the IT-BPM sector covered by the temporary measure must satisfy all of the following conditions to maintain their incentives and/or period of availment:
1. The number of employees under a WFH arrangement shall not exceed ninety percent (90%) of the total workforce of the RBE; Provided, That beginning 01 January 2022, the ceiling shall be reduced to seventy-five percent (75%) for the remainder of the period of this temporary measure; Provided further, that if the State of Calamity due to COVID-19 is extended to any date beyond 01 January 2022, the ceiling shall be maintained at ninety percent (90%) until 31 March 2022;

2. The number of laptops/other equipment of the RBE outside the ecozone should not exceed the number of its employees who are under WFH arrangement;
 3. Bonds shall be posted for all equipment (e.g. desktops and laptops) deployed by the RBE to their employees' homes, to ensure payment of taxes and duties if any such equipment is not returned to the site of the RBE after the WFH arrangement;
 4. Revenues from export as required shall be maintained regardless of the allowed ratio of employees who will work from home. Provided, That the current number of employees shall not be reduced regardless if the majority of their employees are working from home; and
 5. The RBE shall comply with reportorial requirements and site inspections, as may be required by the FIRB or IPA.
- B. RBEs are required to submit to their respective investment promotion agencies (IPAs) the following:
1. On or before 30 September 2021, a list of equipment and other assets brought out of the economic or freeport zones with the following details:
 - a. Quantity of laptops, desktops, or other assets;
 - b. Acquisition cost and book value; and
 - c. Amount of bond paid to cover 150% of the amount of taxes and duties (if imported) and VAT (if locally sourced).
 2. On or before 30 September 2021, total number of employees and the number of employees under the WFH arrangement; and
 3. On or before 30 September 2021, a certification that the export requirement and number of employees will be maintained.
 4. Within five (5) days after the end of each month, a report on the following:
 - a. Additional equipment and other assets brought out of the economic or freeport zones as mentioned in Item B (1); and




- b. The total number of employees and the number of employees under the WFH arrangement.
- C. The concerned IPA shall submit to the FIRB Secretariat the following:
 1. On or before 15 October 2021, and fifteen (15) days after the end of each month, a list of registered IT-BPM enterprises availing of the WFH arrangement with the following details:
 - a. Quantity of laptops, desktops, or other assets brought out of the economic or freeport zones;
 - b. Acquisition cost and book value; and
 - c. Amount of surety bond paid to cover 150% of the amount of taxes and duties (if imported) and VAT (if locally sourced).
 2. Within 30 days from the expiration of the period of the WFH arrangement, a list of registered IT-BPM enterprises with the following details:
 - a. Quantity of laptops, desktops, or other assets brought out of the economic or freeport zones;
 - b. Quantity of laptops, desktops, or other assets returned to the economic or freeport zones; and
 - c. Proof of payment of taxes and duties or forfeiture of surety bond on laptops, desktops, or other assets that were not returned to the economic or freeport zones.
- D. Within five (5) days from the knowledge of any violation of an RBE, the concerned IPA must notify the FIRB of the said violation. The notice will include the name of the RBE, address, registration number, the nature of the violation, and action taken by the IPA, if any.
- E. In implementing the WFH arrangement, the concerned IPA may adopt other measures to ensure compliance with the conditions set forth under FIRB Resolution No. 19-21 and these guidelines.



F. Non-compliance with the conditions prescribed under FIRB Resolution 19-21 may result in suspension, withdrawal, or cancellation of tax incentives of the RBEs.

For strict compliance.


CARLOS G. DOMINGUEZ
Secretary of Finance
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