



Tax *brief*

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ATCs for FWT on withdrawal from decedent's bank deposit and excise tax on cosmetic procedures

(Revenue Memorandum Order No. 47-2019, September 5, 2019)

The following Alphanumeric Tax Codes (ATCs) are modified / dropped to facilitate the proper identification and monitoring of tax collection from final withholding tax (FWT) on amounts withdrawn from decedent's deposit account and excise tax on the performance of services on invasive cosmetic procedures pursuant to RR 8-2019 and RR 2-2019, respectively:

Modified ATC:

ATC	Existing		Modified	
	Description	BIR Form	Description	BIR Form
WI165	On amounts withdrawn from decedent's deposit account	1602-Q/1206	FWT on amounts withdrawn from decedent's deposit account	0620/1621/2306

Dropped ATC:

ATC	Description	BIR Form
WI800 WC800	Final withholding of excise tax on the performance of service on invasive cosmetic procedures	1620-XC

eCAR issuance on transfers of real properties

(Revenue Memorandum Circular No. 93-2019, September 5, 2019)

When taxpayers submit two separate documents (e.g. extra judicial settlement and deed of absolute sale or deed of donation), two separate eCARs shall be issued.

The issuance of two eCARs shall depend on whether the total area or portion only of the total area of the property subject of the sale or donation shall be transferred.

Subject or Sale of Donation	Issuance of eCARs
Total area appearing in the original/ transfer/ condominium certificate of title	Two eCARs will be issued simultaneously bearing the same Title Number, one eCAR for settlement of the estate and another one for transfer by sale or donation. The eCARs must be presented by the taxpayer to the Registry of Deeds ("RD") at the same time to avoid the latter's issuance of a Notice of Invalid eCAR resulting from the presentation of only one eCAR.
Portion of the Total Area	Two eCARs must be issued, but the second eCAR shall only be issued after the eCAR for the estate settlement is presented to the RD for the issuance of new title. The new Title Number to be issued for the first transaction shall be the basis for the issuance of the second eCAR, be it transferred by sale or donation. The taxpayer may opt to pay for the applicable taxes for both transactions at the same time to avoid incurring penalties and interest.



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BIR Issuances

Tax incentives for National Performing Arts Companies

[Revenue Memorandum Circular No. 96-2019, September 12, 2019]

Pursuant to Republic Act (RA) No. 11392 as circularized under RMC No. 96-2019, any donation, contribution, bequest and grant to, and to be used actually, directly and exclusively by accredited National Performing Arts Companies shall be exempt from donor's tax and shall be considered as allowable deduction from the gross income of the donor.

Tax incentives for University of Camarines Norte

[Revenue Memorandum Circular No. 96-2019, September 12, 2019]

RA No. 11399 converts Camarines Norte State College into University of Camarines Norte. Under the said act, importation of economic, technical and cultural books or publications, which is for economic, technical, vocational, scientific, philosophical, historical or cultural purposes, made by the University upon certification by the Commission on Higher Education (CHED), shall be exempt from customs duties.

All grants, bequests, endowments, donations and contributions made to the University, to be used actually, directly, and exclusively by it, shall be exempt from the donor's tax and the same shall be considered as allowable deduction from the gross income of the donor.

Availability of revised BIR Form 2316 pursuant to the TRAIN Law

[Revenue Memorandum Circular No. 100-2019, September 30, 2019]

Revised BIR Form 2316 (Certificate of Compensation Payment/ Tax Withheld) January 2018 (ENCs) pursuant to RA 10963, also known as the TRAIN Law, is now available. Copy of the revised BIR Form 2316 can be downloaded from the BIR website under BIR Forms - Certificates.

The revised form shall be accomplished by the employer and shall be issued to each employee receiving salaries, wages and other forms of remuneration indicating therein the total amount paid and the taxes withheld therefrom during the calendar year.

SEC Circulars



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Regulatory requirements for financing and lending companies operating through online platforms

(SEC Memorandum Circular No. 19 s. 2019, September 17, 2019)

The SEC now requires Financing Companies (FC) and Lending Companies (LC) to disclose the following in their Online Lending Platforms and advertisements:

- Corporate Name, SEC Registration Number, and Certificate of Authority to Operate a Financing/Lending Company Number; and
- Advisory for prospective borrowers to study the terms and conditions in the Disclosure Statement before proceeding with the loan transaction.

Further, the FCs and LCs shall register their Online Lending Platforms as business names and submit an Affidavit of Compliance containing a report of all their existing online lending platforms, within 10 days from effectivity of SEC Memorandum Circular 19.

Prospective Online Lending Platforms, or existing ones that are to be amended, shall likewise be reported to the SEC through an Affidavit of Compliance not later than 10 days before commencement of the operations of said Online Lending Platforms.

SEC Opinions



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Existing corporations prior to effectivity of RCC shall have perpetual existence

(SEC OGC Opinion No. 19-47, September 5, 2019)

The corporate term of a corporation existing prior to, and which continues to exist upon the effectivity of the Revised Corporation Code shall be deemed perpetual without any further action on the part of the corporation.

CTA Decisions



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FAN with two (2) due dates is invalid

(Benchmark Marketing Corp. vs. Commissioner of Internal Revenue, CTA Case No. 9296, September 4, 2019)

A final assessment notice (FAN) must be sent to and received by the taxpayer, and must demand payment of taxes described therein within a specific period.

In CTA Case No. 9296, the petitioner was requested to pay the deficiency tax liabilities within the time shown in the enclosed assessment notice. However, the said assessment notices for VAT and EWT revealed that there are two due dates appearing in the “DUE DATE” portion thereof.

Thus, the taxpayer contends that the final assessments for value-added tax (VAT) and expanded withholding tax (EWT) should be declared to have been invalidly issued and would not result to any deficiency tax liability for failure to indicate the due date for payment thereof.

The CTA held that the two different due dates indicated in the VAT and EWT assessment notices leaves the taxpayer in a quandary as to when payment should be made. Thus, similar to when no due date is indicated in the FAN, two due dates indicated in the FANs negate the respondent’s demand for payment of the deficiency tax liabilities. Absent such demand, the assessments for VAT and EWT are fatally infirm, and thus, making the FAN an invalid assessment.

LOA issued for a specific Revenue Officer (RO) cannot be used by another RO

(Jopauen Realty Corporation v Commissioner of Internal Revenue, CTA Case No. 8943, September 13, 2019)

Section 13 of the Tax Code provides that a Letter of Authority (LOA) is the authority given to the appropriate revenue officer (RO) assigned to perform assessment functions. It empowers or enables said RO to examine the books of account and other accounting records of the taxpayer for the purpose of collecting the correct amount of tax.

In this case, a perusal of record shows that a LOA was issued to the taxpayer indicating specific ROs as the officers who will be conducting the investigation. However, based on the testimonial and documentary evidence presented, the PAN and FAN were issued by a different RO pursuant to an assignment slip and memorandum of assignment.

Hence, the officer who conducted the investigation and issued the assessment notices has no authority to examine petitioner’s books and other accounting records or issue an assessment against the taxpayer. The deficiency tax assessment issued by the BIR against the petitioner is void for lack of authority.

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