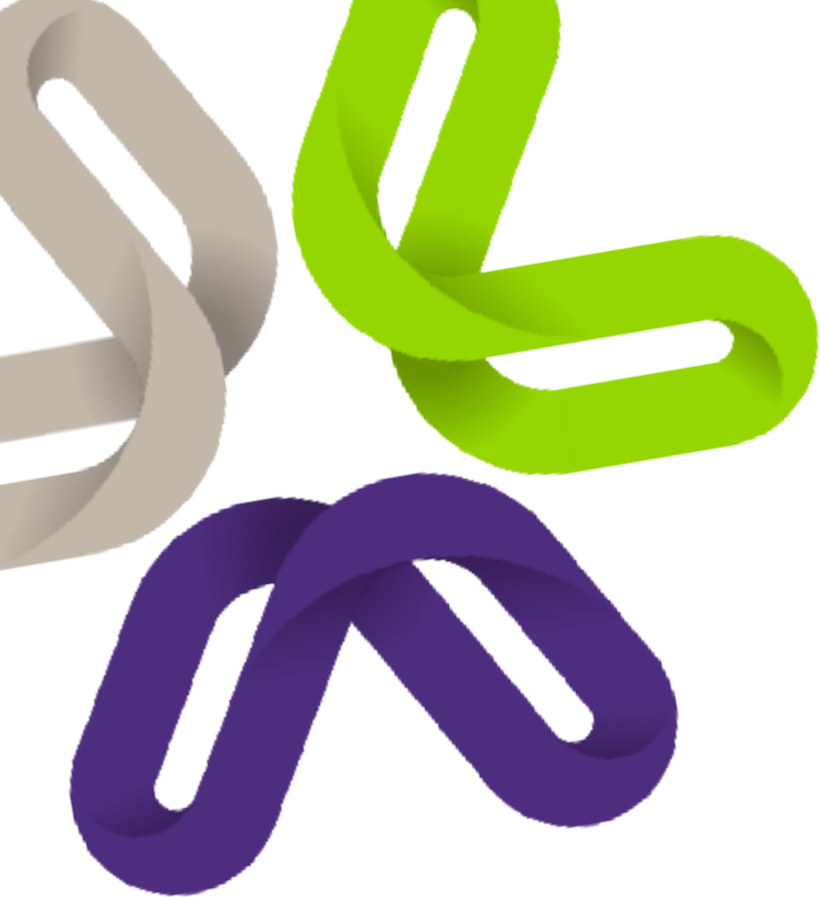




# **Tax brief**

*April 2020*





## **BIR ISSUANCES and BOC ISSUANCES**

RR No. 05-2020	Extension on the availment period for the Tax Amnesty on Delinquencies
RMO No. 6-2020	New VAT ATC for lending investors, dealer in securities, or pre-need companies
RR Nos. 06-2020, RMO No. 10-2020 and CAO No. 07-2020	Tax exemptions of importations of healthcare equipment and supplies
RR No. 07-2020, RMC Nos. 25-34, series of 2020, Bank Bulletin No. 2020-03 and Tax Advisory dated March 30, 2020	Tax filing and payment guidelines during the enhanced community quarantine
RMC Nos. 19-22, s of 2020	New daily minimum wage rates in BARMM, Regions VII, III and XII
RMC No. 24-2020	Transitory procedures in complying with administrative requirements for excise tax heated tobacco products and vapor products

## **SEC CIRCULARS**

SEC Memorandum Circular 5 s 2020	Extended filing deadline for filing of Annual Reports and/or Audited Financial Statements
SEC Memorandum Circular 6 s 2020	Guidelines for remote communication and voting in absentia pursuant to the RCC
SEC Memorandum Circular 7 s 2020	Preventive measures against Covid-19 in handling records at the SEC
SEC Memorandum Circular 9 s 2020	Guidelines for the filing of GIS during the Covid-19 outbreak and ECQ
SEC Memorandum Circular 10 s 2020	Guidelines on submission by electronic mail of AFS, GIS, and other required forms and documents, and recognition of electronic signature
SEC Memorandum Circular 11 s 2020	Guidelines for submission or filing of securities deposit during the Covid-19 outbreak and ECQ

## **CTA DECISIONS**

CTA EB Crim. No. 051	Prior year GIS cannot be presumed to apply to succeeding years
CTA Case No. 9048	RMC 31-2013 shall not be applied retrospectively

# BIR Issuances and BOC Issuances



- > BIR Issuances and BOC Issuances
- > SEC Circulars
- > CTA Decisions

## **Extension on the availment period for the Tax Amnesty on Delinquencies**

(Revenue Regulations Nos. 05-2020, March 23, 2020)

The rules and regulations implementing the Tax Amnesty on Delinquencies was amended to provide that period of availment may be extended if the circumstances warrant such as in case of country-wide economic or health reason/s.

## **Tax exemptions of importations of healthcare equipment and supplies**

(Revenue Regulations Nos. 06-2020, Revenue Memorandum Order No. 10-2020, and Customs Administrative Order No. 07-2020, March 30, 2020)

The importations of healthcare equipment and supplies, including materials necessary to produce such equipment and supplies shall be entitled to the following exemptions:

1. Exemption from value added tax, excise tax and other fees on importation;
2. Exemption from the Authority to Release Imported Goods (ATRIG) requirement; and
3. Exemption from donor's tax if the imported articles are donated to or for the use of the National Government, any of its political subdivision, or any entity created by any of its agencies which is not conducted for profit.

To avail of the exemption on importation of materials necessary for the production of such healthcare equipment and supplies, the manufacturer/importer must be included in the Master List of the Department of Trade and Industry and other incentive granting bodies.

The covered health equipment and supplies include, but not limited to the following:

- a. Personal Protective Equipment such as gloves, gowns, masks, goggles, face shields, surgical equipment and supplies;
- b. Laboratory equipment and its reagents;
- c. Medical equipment and devices;
- d. Support and maintenance for laboratory and medical equipment;
- e. Surgical equipment and supplies;
- f. Medical supplies, tools, and consumables such as alcohol, sanitizers, tissue, thermometers, hand soap, detergent, sodium hydrochloride, cleaning materials, povidone iodine, common medicines (e.g. paracetamol tablets and suspension, mefenamic acid, vitamins tablet, and suspension, hyoscine tablet and suspension, oral rehydration solution, and cetirizine tablet and suspension);
- g. COVID-19 testing kits; and
- h. Others as may be identified by the Department of Health and other relevant government agencies.

The exemptions shall be in force only during the 3-month effectivity of RA No. 11469 (Bayanihan to Heal as One Act), unless extended or withdrawn by the Congress or ended by Presidential Proclamation.

# BIR Issuances and BOC Issuances



- > BIR Issuances  
and BOC  
Issuances
- > SEC Circulars
- > CTA Decisions

## Tax filing and payment guidelines during the enhanced community quarantine period

(Revenue Regulations No. 07-2020 and Revenue Memorandum Circular Nos. 25-34, series of 2020 and Bank Bulletin 2020-03)

The following are the extended deadlines of the tax filings and payments and other BIR submissions falling due within the enhanced community quarantine (ECQ) period:

BIR Forms/ Returns and Other Submissions	Extended Deadlines	
	EFPS Filers	Non-EFPS Filers
BIR Form 2550M (Monthly Value Added Tax Declaration) for the month of February 2020- staggered e-filing based on group classification	April 21 - 27, 2020 (e-Filing) April 27, 2020 (e-Payment)	April 20, 2020
BIR Form 1600WP (Monthly Remittance of Percentage Tax on Winnings/Prizes by Race Track Operators) for the month of February 2020	April 20, 2020	April 20, 2020
BIR Form 2550Q (Quarterly Value Added Tax Return) for the quarter ended February 29, 2020	April 27, 2020	April 27, 2020
Quarterly Summary Lists of Sales/ Purchases for the quarter ended February 29, 2020	April 30, 2020	April 27, 2020
Sworn Statement of Manufacturer's or Importer's Volume of Sales of each Particular Brand of Alcohol, Tobacco products & Sweetened Beverages for the quarter ended February 29, 2020	April 27, 2020	April 27, 2020
Computerized Books of Accounts (CAS) and other accounting records in electronic format for FY ending February 29, 2020	April 30, 2020	April 30, 2020
Attachments to e-filed Annual Income Tax Return (Financial Statements and copies of BIR Form 2307) for fiscal year ended November 30, 2019	April 30, 2020	
Inventory List for fiscal year ended February 29, 2020	April 30, 2020	April 30, 2020
BIR Form 1702Q (Quarterly Income Tax Return) for the quarter ended January 31, 2020	April 30, 2020	April 30, 2020
BIR Form 1604CF (Annual Information Return of Income Taxes Withheld on Compensation and Final Withholding Taxes (including alphalist of employees/ payees) for the year 2019	April 30, 2020	April 30, 2020
BIR Form 1604E (Annual Information Return of Creditable Income Taxes Withheld) (together with the alphalist of payees) for the year 2019	April 30, 2020	April 30, 2020
BIR Form 2316 of employees qualified for substituted filing for the year 2019	April 30, 2020	April 30, 2020
Certificate of Residence for Tax Treaty Relief (CORTT) Forms for final withholding taxes on dividend, interest, and royalties remitted starting March 10, 2020	April 30, 2020	April 30, 2020
BIR Form 2000 and 2000-OT (Documentary Stamp Tax) for the month of March 2020	May 5, 2020	May 5, 2020
Monthly eSales report for taxpayers using Cash Register Machine (CRM)/ Point-of-Sale Machine (POS) for the month of March 2020	May 8, 2020 (TIN ending in even numbers) May 11, 2020 (TIN ending in odd numbers)	May 8, 2020 (TIN ending in even numbers) May 11, 2020 (TIN ending in odd numbers)
BIR Form 1600 (Monthly Remittance Return of VAT/Percentage Taxes Withheld), together with Alphalist for the month of March 2020	May 11, 2020	May 11, 2020
BIR Form 1606 (Withholding Tax Remittance Return For Onerous Transfer of Real Property Other than Capital Asset (Including Taxable and Exempt) for the month of March 2020	May 11, 2020	May 11, 2020
BIR Form 2200-M (Excise Tax Return for Mineral Products) for the month of March 2020	May 11, 2020	May 11, 2020

# BIR Issuances and BOC Issuances



- > BIR Issuances  
and BOC  
Issuances
- > SEC Circulars
- > CTA Decisions

BIR Form 1601C (Monthly Remittance Return of Income Taxes Withheld on Compensation) for the month of March 2020 – staggered e-filing based on group classification	May 11- 15, 2020 (e-Filing) May 15, 2020 (e-Payment)	May 11, 2020
BIR Form 1700, 1701/1701A, 1702RT/MX/EX (Annual Income Tax Return), together with required attachments	May 15, 2020	May 15, 2020
Required attachments to e-filed annual ITR for the year ended December 31, 2019	June 1, 2020	June 1, 2020
Quarterly Summary List of Machines (CRM-POS) sold by Machine Distributors/Dealers/Vendors/Suppliers for quarter ending March 31, 2020	May 15, 2020	May 15, 2020
Bound Loose Leaf Book of Accounts for the fiscal year ending March 31, 2020	May 15, 2020	May 15, 2020
List of Medical Practitioners for the quarter ending March 31, 2020	May 15, 2020	May 15, 2020
ONETT Transactions (BIR Form No. 1706, 1707, 1800, 1801 and 1606) (for those whose deadlines fall within the emergency period starting March 16, 2020)	30 days from due date	30 days from due date
Letters, correspondences and other documents due for submission to BIR that fall due on dates within the quarantine period (Response to NIC/PAN, Protest Letter to FAN/FLD, Request for Reconsideration on FDDA, 60-day submission on Request for Re-investigation, Other similar letters/correspondences with due dates)	30 days from the date of lifting of period of emergency	30 days from the date of lifting of period of emergency
VAT Refund application for Quarter ending March 31, 2018 *counting of the 90-day processing period for VAT refund currently being evaluated and for those that may be received from March 16 April 14, 2020 is suspended	April 30, 2020	April 30, 2020
Running of statute of limitations in the assessment and collection of deficiency taxes	60 days after the lifting of the order of state of emergency	60 days after the lifting of the order of state of emergency
All other filing/ submission which due dates fall within the period of emergency starting March 16, 2020	30 days from due date	30 days from due date

1. For EFPS filers filing within the extended deadlines, disregard the penalties automatically computed under EFPS and pay only the basic tax due.
2. Filing and payment beyond the extended deadlines shall be subject to applicable penalties computed from the extended deadline until actually paid.
3. No payment returns shall be filed through either EFPS or eBIRForms facility only.
4. Payment options for those who shall file manually or thru eBIRForms Facility:
  - Over-the-counter (OTC) payment through AABs;
  - Revenue Collections Officers (RCOs) in areas with no AABs;
  - Electronic/ online payment:
    - a. Land Bank of the Philippines (LBP) Link.biz Portal- for those with ATM account with LBP and/or holders of Bancnet ATM/ Debit/ Prepaid Card
    - b. Pesonet Facility- for depositor of RCBC and Robinsons Bank
    - c. Development Bank of the Philippines (DBP) Pay Tax Online- for those with VISA/ MasterCard Credit Cards and/or Bancnet ATM/ Debit Card
    - d. Union Bank Online Web and Mobile Facility- for those with Union Bank account
    - e. Mobile Payment (GCash/ Paymaya)
5. All tax payments shall be accepted by AABs even out-of-district returns. For annual income tax returns, out-district-returns shall also be accepted by any Revenue Collection Officer (RCO) under the Revenue District Office.
6. Combinations of checks and/or cash and checks for a single tax liability shall be accepted by AABs.
7. Only three copies of the returns and attachments shall be stamped received. For corporations and other juridical persons, additional two copies of AFS will be stamped received.

# BIR Issuances and BOC Issuances



- > BIR Issuances  
and BOC  
Issuances
- > SEC Circulars
- > CTA Decisions

8. In case of EFPS downtime based on BIR Advisory, EFPS filers may manually file and pay with AABs even out-of-district returns.
9. Tax payments of taxpayers who are already within the premises of AABs by the close of banking hours shall be accepted.

Note: In view of the extended ECQ, there is an additional 15-day extension on the deadline for filing and payment of tax returns and other BIR submissions which were previously extended and 30-day extension for those returns/submission falling due during the extension of ECQ pursuant to RR 10-2020.

# BIR Issuances and BOC Issuances



- > BIR Issuances and BOC Issuances
- > SEC Circulars
- > CTA Decisions

## New daily minimum wage rates in BARMM, Regions VII, III and XII

(Revenue Memorandum Circular Nos. 19-22, series of 2020, March 4, 2020)

The new minimum wage rates in the following regions have been circularized, as follows:

A. Bangsamoro Autonomous Region in Muslim Mindanao (Wage Order No. BARMM-01)

Area	New Daily Minimum
Provinces of Maguindanao, Lanao Del Sur, Basilan, Sulu, Tawi-tawi and the cities of Marawi and Lamitan	Non-agriculture: Php 300/ day Agriculture: Php 290/ day
Cotabato City and the 63 Barangays in North Cotabato	Non-agriculture: Php 325/ day Agriculture: Php 300/ day

B. Central Visayas (Region VII) (Wage Order No. ROVII-DW-02)

Area	New Daily Minimum
Class A (Cities of Carcar, Cebu, Danao, Lapulapu, Mandaue, Naga, Talisay; Municipalities of Compostela, Consolacion, Cordova, Liloan, Minglanilla, San Fernando, or Expanded Metro Cebu)	Non-agriculture: Php 404/ day Agriculture: Php 394/ day Establishments with less than 10 workers: Php 394/day

Class B (Cities not covered under Class A)	Non-agriculture: Php 366/ day Agriculture: Php 361/ day Establishments with less than 10 workers: Php 361/day
Class C (Municipalities not covered under Class A)	Non-agriculture: Php 356/ day Agriculture: Php 351/ day Establishments with less than 10 workers: Php 351/day

C. Central Luzon (Region III) (Wage Order No. RBIII-22)

Area	New Daily Minimum
Provinces of Bataan, Bulacan, Nueva Ecija, Pampanga, Tarlac, Zambales	Non-agriculture: Php 420/ day (employers with more than 10 workers) Php 413/day (employers with less than 10 workers) Agriculture: Php 390/day (Plantation) Php 374/day (Non-plantation) Retail: Php 409/day (employers with more than 10 workers) Php 395/day (employers with less than 10 workers)

Province of Aurora	Non-agriculture: Php 369/ day Agriculture: Php 354/day (Plantation) Php 342/day (non-plantation) Retail: Php 304/day
--------------------	---

D. SOCCSKARGEN (Region XII) (Wage Order No. RB-XII-21)

Area	New Daily Minimum
Non-agriculture	Php 326/ day Effective May 1, 2020: Php 336/day
Agriculture, Retail, Service Establishment	Php 305/ day Effective May 1, 2020: Php 315/day





- > BIR Issuances  
and BOC  
Issuances
- > SEC Circulars
- > CTA Decisions

# BIR Issuances

## **Transitory procedures in complying with administrative requirements for excise tax on heated tobacco products and vapor products**

(Revenue Memorandum Circular No. 24-2020, March 06, 2020)

Under Republic Act No. 11346, heated tobacco products and vapor products are now subject to excise tax under the category of tobacco products.

The following administrative requirements should be complied with by the affected taxpayers:

- A. Amend the Registration with Bureau of Internal Revenue (BIR) to include tax type “EXCISE TAX”;
- B. Secure a Permit to Engage in business as Manufacturer, Importer, or Dealer/Trader of Heated Tobacco Products and Vapor Products with Excise LT Regulatory Division (ELTRD);
- C. Assign an Assessment Number to be provided by ELTRD;
- D. Secure of a Permit to Import and an Authority to Release Imported Goods (ATRIGs), in case of Importation with ELTRD and pay the Excise Tax with BIR using BIR Form No. 2200-T - Excise Tax Return for Tobacco Products and use the corresponding Alphanumeric Tax Codes (ATC);

E. Request for Internal Revenue Strip Stamps pursuant to Revenue Regulations (RR) No. 3-2006 dated January 3, 2006 to include Heated Tobacco Products and Vapor Products which are identified under Tobacco Products. Internal Revenue Strip Stamps’ shall be requisitioned from the BIR and shall be firmly affixed on the said products before its removal from place of production or Customs’ custody in case of importation;

F. Register New and Existing Brands of Tobacco Products;

G. Fill up the prescribed Excise Taxpayer’s Removal Declaration (EI-RD) for all removals of Heated Tobacco Products and Vapor Products, in case of Manufacturer; and

H. Maintain Official Registry Books (ORBs) and such other forms or records that may be prescribed by this Bureau.



# SEC Circulars



- > BIR Issuances  
and BOC  
Issuances
- > SEC Circulars
- > CTA Decisions

## **Extended filing deadline for filing of Annual Reports and/or Audited Financial Statements**

(SEC Memorandum Circular No. 5 s. 2020, March 12, 2020)

Companies with domestic operations only may file their annual reports (SEC Form 17-A) and/or annual financial statements with the Securities and Exchange Commission (SEC) for the period ended December 31, 2019 until June 30, 2020. For companies with domestic and foreign operations, the filing period is extended until June 30, 2020 or 60 days from date of lifting of travel restrictions by concerned government authorities, whichever comes later.

Publicly-listed companies should submit a written request to the SEC through the Markets and Securities Regulation Department for an extension of time not later than 5 days before the filing deadline. Further, these companies must also submit to the SEC an indicative date to convene the Annual Stockholders' Meeting.

The filing period for the quarterly reports (SEC Form 17-Q) of publicly listed companies and registered issuers of securities for 2020 will accordingly adjust.

The extension of filing of Annual Reports and/or Audited Financial Statements also applies to companies with fiscal year ending November 30, 2019.

## **Guidelines for remote communication and voting in absentia of directors/trustees and stockholders/members**

(SEC Memorandum Circular No. 6 s 2020, March 12, 2020)

In accordance with the RCC, the SEC provided the following guidelines in formulating corporation's internal procedures and bylaws which will allow their directors, trustees, stockholders, members and other persons to participate and vote in meetings in absentia or through remote modes of communication:

### **A. Board Meetings of Directors and Trustees**

- Directors or trustees who cannot physically attend or vote at board meetings can participate and vote through remote communication. Any mode of communication which will allow them reasonable opportunities to participate can be used. This includes videoconferencing and teleconferencing.
- The Corporate Secretary shall send the notice of the meeting to all directors or trustees in accordance with the manner of giving notice through electronic mail, messaging service or such other manner as may be provided in the bylaws or by board resolution.

- If a director or trustee intends to participate in a meeting through remote communication, he/she shall notify in advance the Presiding Officer and the Corporate Secretary of his/her intention. The Corporate Secretary shall note such fact in the Minutes of the meeting. However, the directors or trustees still cannot attend or vote by proxy at board meetings.

- A director or trustee who participates through remote communication, shall be deemed present for the purpose of attaining quorum

- Corporations may issue their own internal procedures for the conduct of board meetings through remote communication or other alternative modes of communication to address administrative, technical and logistical issues.

- The directors or trustee participating in the meeting via remote communication may cast his vote through electronic mail, messaging service or such other manner as may be provided in the internal procedures. The vote shall be sent to the Presiding Officer and the Corporate Secretary for notation.

# SEC Circulars



- > BIR Issuances  
and BOC  
Issuances
- > SEC Circulars
- > CTA Decisions

• The following responsibilities shall likewise be assumed by the Corporate Secretary:

a. ensure that suitable equipment and facilities are available for the conduct of meeting by remote communication (i.e., reliable internet connection, high bandwidth availability capable of supporting numerous simultaneous connections, etc.);

b. ensure that the attendees are able to hear and see the other participants clearly during the course of the meeting and that attendees should be able to communicate and understood by the other party;

c. ensure that the visual and audio recordings of the meeting are secured;  
d. ensure that the visual and audio recordings of the election/meeting are current and on-going and that there is no stoppage or interruption. Should an interruption or stoppage occur, the recording shall restart from the point where it was stopped or interrupted with proper statement of points in time;

e. ensure to safe-keep and perpetuate in updated data storage equipment or facility the visual and audio recordings; and,

f. require those who attended the meeting through remote communication, to sign the minutes of the meeting whenever the act of signing is practicable, on a reasonable time after the meeting.

## B. Board Meetings of Directors and Trustees

• When so provided in the by-laws or by majority of the Board of Directors, stockholders or members who cannot physically attend at stockholders' or members' meetings may participate in such meetings through remote communications or other alternative modes of communication.

• The stockholder/member who intends to participate remotely shall notify in advance the Presiding Officer and the Corporate Secretary of his/her intention. The Corporate Secretary shall note such fact in the minutes of the meeting.

• A stockholder or member who participates through remote communication or in absentia shall be deemed present for purposes of quorum

• The right to vote of stockholders or members may be exercised in person, through a proxy, or when so authorized in the by-laws or by a resolution of the majority of the board of directors, through remote communication or in absentia.

• In case the right to vote through remote communication or in absentia was authorized only by a resolution of the majority of the board of directors, such shall only be applicable for a particular meeting.

• For election of directors, trustees and officers of corporations vested with public interest, stockholders and members may vote through remote communication or in absentia, notwithstanding the absence of a provision in the bylaws of such corporations.

• For the convenience of their stockholders and members, corporations shall issue their own internal procedures embodying the mechanisms for participation in meetings and voting through remote communication or in absentia.

# SEC Circulars



- > BIR Issuances and BOC Issuances
- > SEC Circulars
- > CTA Decisions

## Preventive measures against Covid-19 in handling records at the SEC

(SEC Memorandum Circular No. 7 s 2020, March 16, 2020)

To prevent the spread of COVID-19, the following measures are being implemented in SEC's Electronic Records Management Division, ICTD (ERMD-ICTD):

- Request and retrieval of SEC documents, both plain and/or authenticated, shall be done through the SEC Express System using the following options:

1. Online application. The public may request for SEC documents through a user-friendly, web-based interface that includes online payment and courier delivery of the requested document/s nationwide. The client may log on at [www.secexpress.com](http://www.secexpress.com).

2. Call center facility. The public may call Hotline Number (02) 8-737-8888 for request, mode of payment and courier delivery of requested document/s nationwide.

The existing Appointment System and Public Kiosk (ODRS) will be temporarily suspended to avoid face to face contact with the SEC Frontline Employees and the transacting public.

- Filing/submission of reports and other documents can be done through either the SEC Express Nationwide Submission (SENS) or Philippine Postal Corporation or through ordinary mail shall be subject to the following requirements:

### SEC Express Nationwide Submission (SENS)

1. Client accomplishes and signs the SEC Express Nationwide Submission (checklist with undertaking, available in the SENS website).
2. Client attaches the checklist and the undertaking to the documents to be submitted.
3. Client proceeds to the courier of his/her choice and may or may not avail of the return copy. Request for return copy may be subject to the availability of service offer by the courier.
4. Courier delivers the documents to the SEC Office.
5. SEC Receiving Officer shall stamp the documents and "Received", put his initial on the documents and distribute copies of documents to the SEC department concerned.

### Philippine Postal Corporation or through ordinary mail

1. Clients may file their reports/documents through Registered Mail with return card issued by the Philippine Postal Corporation provided, that clients may file

their reports/documents through ordinary mail or private courier duly accompanied by an affidavit of service, if registry service is not available in their official place of business.

2. For return copy, client shall enclose a self-addressed envelope with sufficient amount of stamp/postage.

3. The reports/documents submitted to the SEC through registered mail shall be considered filed on the date of mailing as shown by the post office stamp on the envelope or the registry receipt. Reports/documents submitted through ordinary mail or private courier shall be considered filed on the date of actual receipt thereof by the SEC. Validation of forms and contents of reports/documents submitted shall be done by SEC Operating Department requiring the report.

- All filings at the Head Office and Satellite Offices shall be temporarily suspended until further notice.

# SEC Circulars



- > BIR Issuances and BOC Issuances
- > SEC Circulars
- > CTA Decisions

## Guidelines for the filing of GIS during the Covid-19 outbreak and ECQ

(SEC Memorandum Circular No. 9 s 2020, March 18, 2020)

The following guidelines shall be observed in the filing of General Information Sheet (GIS) during ECQ:

1. Election of directors, trustees and officers - the General Information Sheet (GIS) shall be submitted within 30 days from actual meeting through mail, private courier, or email at [mlmliwanag@sec.gov.ph](mailto:mlmliwanag@sec.gov.ph), [mdtmabuyo@sec.gov.ph](mailto:mdtmabuyo@sec.gov.ph), or [cmdnotice@sec.gov.ph](mailto:cmdnotice@sec.gov.ph).
2. Election of directors, trustees and officers originally scheduled between 01 March 2020 and 31 May 2020 was not held due to health and safety reasons and the corporation has no facilities for remote communication - Report to the SEC through a notice within 30 days from the original meeting date either through mail courier or by email, accompanied by a statement specifying a new date for election which is within 60 days from the originally scheduled date.  
the payment of income tax which is the subject of the claim for refund. Thus, the request for refund was denied.
3. Non-holding of annual meeting of election of directors, trustees, or officers due to reasons other than those mentioned above, as well as the non-holding of election originally scheduled outside the covered period - Report to the SEC within 30 days from the date of the scheduled election, and specify the new date for election which shall not be

later than 60 days from the scheduled date.

The non-holding of election initially reported as due to health and safety reasons may nevertheless be considered as a non-holding of election due to other causes if, upon application of a stockholder, member, director, or trustee, it has been verified that the non-holding of election is not related to the COVID-19 disease. Further, if it is likewise found that the non-holding of election is unjustified, the SEC shall issue an order directing the issuance of a notice stating the time and place of an election.

The report on non-holding of annual meeting shall be submitted to [cmdnotice@sec.gov.ph](mailto:cmdnotice@sec.gov.ph) and shall contain the corporate name, SEC registration number, date of annual meeting per by-laws, date of actual meeting, reason for the non-holding of meeting, venue of the intended meeting; and dated signature of the Corporate Secretary.

The results of the election of directors, trustees, or officers subsequent to the report of non-holding of elections and which is held outside the covered period, shall be reported to the SEC through the submission of a GIS within 30 days from the date of actual meeting when the election was held.

# SEC Circulars



- > BIR Issuances and BOC Issuances
- > SEC Circulars
- > CTA Decisions

## **Guidelines on submission by electronic mail of AFS, GIS, other required forms and documents, and recognition of electronic signature**

(SEC Memorandum Circular No. 10 s 2020, March 20, 2020)

The following documents may be filed through electronic mail during the state of public health emergency where the country has been placed under enhanced community quarantine:

1. General Information Sheet;
2. Audited Financial Statements; and,
3. All other General and Special Forms and Letters.

During the state of public health emergency, the SEC will accept electronic copies of the documents enumerated in Section I, submitted through electronic mail to the email addresses to be specified by the SEC; provided, that all of the following required specifications are complied with:

1. The submitted documents should be in portable document format (PDF), preferably with Text Layer.
2. The submitted documents should contain an electronic signature as defined in Section 5(e) of Republic Act (R.A.) No. 8792, Electronic Commerce Act of 2000, which states that “Electronic Signature” refers to any distinctive mark, characteristic and/or sound in electronic form, representing the identity of a person and attached to or logically associated with the electronic data message

or electronic document or any methodology or procedures employed or adopted by a person and executed or adopted by such person with the intention of authenticating or approving an electronic data message or electronic document. Electronic images of wet or physical signatures of authorized and appropriate representatives affixed to the documents covered by this circular and submitted to the SEC shall be recognized.

3. The submitted documents should be sent as Multipurpose Internet Mail Extensions (MIME) attachments to an email from a valid company email account or address of an authorized representative.

4. The documents covered by this Circular which are required to be executed and submitted under oath may be submitted nonnotarized. However, the person(s) whose signature appears in the documents submitted shall be held accountable under the appropriate provisions of the Revised Corporation Code.

The body of the email should contain:

- a. a statement declaring the authenticity of the submitted documents;
- b. a commitment to submit physical versions of the exact same submitted documents to the SEC once the state of public health emergency is lifted; and,

c. the full name, corporate address, and mobile number of the authorized representative making the submission.

The sender should request for a Return Receipt and a Delivery Status Notification to ensure that the email has been sent and has also been received by the SEC.

6. Submission of physical copies of required reportorial submissions shall be required by SEC according to established rules and regulations once the state of public health emergency has been lifted.

For purposes hereof, the SEC shall set and announce a specific date for submission of the duly notarized hard copies of the documents submitted through electronic mail after the state of public health emergency is lifted.



- > BIR Issuances  
and BOC  
Issuances
- > SEC Circulars
- > CTA Decisions

# SEC Circulars

## **Extension on the submission or filing of securities deposit during the Covid-19 outbreak and ECQ**

(SEC Memorandum Circular No. 11 s 2020, March 26, 2020)

Branch offices of foreign corporations duly licensed to do business in the Philippines required to file its initial securities deposit within 60 days after the issuance of its SEC license and those who are required to deposit additional securities, falling due during the effectivity of the Enhanced Community Quarantine, shall be given thirty (30) days from the lifting of said Enhanced Community Quarantine, to file the initial securities deposit or deposit additional securities.

Securities deposit that matured during the effectivity of the Enhanced Community Quarantine shall likewise be given thirty (30) days from the lifting of Enhanced Community Quarantine to file an application for substitution of securities.

# CTA Decisions



- > BIR Issuances and BOC Issuances
- > SEC Circulars
- > CTA Decisions

## **Prior year GIS cannot be presumed to apply to succeeding years**

(People of the Philippines vs Marina C. Babasa & Pedro C. Carandang, CTA EB Crim. No. 051 re CTA Crim. Case No. 0-654, March 02, 2020)

The Securities and Exchange Commission (SEC) requires a corporation to submit its General Information Sheet (GIS) within 30 days from the date of actual annual stockholders' or members meeting. The GIS provides information on incorporators, stockholders, directors, trustees, officers, beneficial owners, and external auditor, among other information.

In the herein case, the respondents-taxpayers appeared as President and Treasurer of Portland Chemicals Corporation based on the submitted GIS in 2011. There was no update on the said 2011 GIS in the following years. With this, the BIR argues that the respondents-taxpayers are to be held criminally liable for willfully and unlawfully refusing to pay the deficiency taxes assessed on Portland Chemicals Corporation for taxable year 2010 in the year 2014.

The Court of Tax Appeals (CTA) upheld the dismissal of the case against respondents for failure to establish probable cause. It explained that respondents-taxpayers were the President and Treasurer of the corporation during the taxable year 2011 based on the presented GIS. However, there was no evidence presented to support that they still hold the position in 2014, or when

the alleged failure to settle the 2010 deficiency internal revenue tax liabilities occurred. Assuming that any unamended GIS from a certain year is still applicable to the succeeding years cannot be construed as evidence since this is just pure assumption with no underlying basis.

## **Taxability of Filipino citizens employed by ADB under RMC 31-2013 cannot be applied retrospectively**

(Lennie de Sagun, et. al vs Commissioner of Internal Revenue, CTA Case No. 9048, March 11, 2020)

The Asian Development Bank (ADB), under its charter agreement with the Government of the Republic of the Philippines, is granted exemption from taxation. This includes exemption from withholding tax responsibility on the salaries paid to its employees. In 2013, the BIR issued RMC 31-2013 clarifying that the tax exemptions enjoyed by the employees of ADB are only limited to non-Filipino citizens. However, the BIR previously issued several contradictory rulings on the taxability of the salaries and emoluments received by ADB officers and employees who are Philippine nationals or citizens causing confusion among them prior to finally settling the issue in RMC 31-13 on 12 April 2013

In the herein case, the ADB Filipino employee applied for refund of income taxes paid for taxable years 2012 and 2013 citing that the BIR failed to recognize the tax-exempt status of ADB employees granted by the ADB charter. Furthermore, the employee questioned the retroactive application of RMC 31-2013 by the RTC of Mandaluyong.

The CTA opined that it cannot rely on the decision of the RTC of Mandaluyong. To retroactively apply RMC 31-13 (i.e., require Filipino ADB officers and employees to pay income tax using the graduated rates on their 2012 compensation) would be prejudicial to the Filipino ADB officers and employees as they may be issued deficiency income tax assessments for compensation which at the time of payment was declared tax-exempt by the BIR. Consequently, the retroactive application of RMC 31-13 will violate Section 246 of the NIRC.

The Court finds that salary of employees who are Philippine nationals or citizens should only be subjected to income tax prospectively from the date RMC 31-2013 was issued.



# Highlight on P&A Grant Thornton services

## **Tax review**

For clients that want to do business in the Philippines, we assist in determining the appropriate and tax-efficient operating business or investment vehicle and structure to address the objectives of the investor, as well as related incorporation issues. We help set up the business and register it with concerned government regulatory agencies, such as the Securities and Exchange Commission, the Bureau of Internal Revenue, the Local Government Unit, the Social Security System and the Bangko Sentral ng Pilipinas. We also assist in notifying and/or securing necessary approvals from government regulatory agencies when there are changes in business activities, business status, or tax-type registration.

If you would like to know more about our services

---

**Atty. Renato Balisacan, JR**  
Manager, Tax Advisory and Compliance  
T +63 2 988 2288 ext. 534  
M +63 908 784 76 95  
E [jr.balisacan@ph.gt.com](mailto:jr.balisacan@ph.gt.com)



---

Tax brief is a regular publication of Punongbayan & Araullo (P&A) that aims to keep its clientele, as well as the general public, informed of various developments in taxation and other related matters. This publication is not intended to be a substitute for competent professional advice. Even though careful effort has been exercised to ensure the accuracy of the contents of this publication, it should not be used as the basis for formulating business decisions. Government pronouncements, laws, especially on taxation, and official interpretations are all subject to change. Matters relating to taxation, law and business regulation require professional counsel.

We welcome your suggestions and feedback so that the Tax brief may be made even more useful to you. Please get in touch with us if you have any comments and if it would help you to have the full text of the materials in the Tax brief.

**Lina Figueroa**

Principal, Tax Advisory and Compliance Division

T +63 2 988 2288 ext. 520

E [Lina.Figueroa@ph.gt.com](mailto:Lina.Figueroa@ph.gt.com)

---



**[grantthornton.com.ph](http://grantthornton.com.ph)**

© 2020 Punongbayan & Araullo. All rights reserved.

Punongbayan & Araullo (P&A) is the Philippine member firm of Grant Thornton International Ltd (GTIL). “Grant Thornton” refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another’s acts or omissions.