



Tax Tweets

a monthly publication of Reyes Tacandong & Co. Tax Division

WHAT'S INSIDE:

BIR Issuances 1
SEC Issuances 10

Tax Tweets is Reyes Tacandong & Co.'s official monthly publication which highlights select and significant issuances and advisories of various government agencies including the BIR, SEC, BOC, FIRB, PEZA, and other regulatory bodies.

This Tax Tweets Issue covers select and significant issuances and advisories from July to August 2025.

BIR Issuances

Clarification on the Registration of Books of Accounts for New Business Registrants **Revenue Memorandum Circular No. 65-2025** **issued on 02 July 2025**

- New business registrants can register any of the following types of Books of Accounts:
 1. Manual Books of Accounts;
 2. Loose-leaf Books of Accounts (LLBA); or
 3. Computerized Books of Accounts (CBA)
- Taxpayers who opt to use LLBA and CBA are not required to register Manual Books of Accounts but must secure a Permit to Use (PTU) Loose Leaf Books of Accounts or Acknowledgement Certificate (AC) for CBA or Computerized Accounting System (CAS) before use.
- Registration for LLBA or CBA cannot be processed simultaneously with the issuance of a TIN

Updated Checklist of Documentary Requirements for BIR Registration-Related Frontline Services

Revenue Memorandum Circular No. 74-2025
issued on 18 July 2025

- This issuance publishes the new updated checklist for documentary requirements for registration before the BIR.
- The BIR shall only process applications or requests with complete documentary requirements and shall not process deficient or incomplete applications or requests
- A Secretary's Certificate signed by an Assistant Corporate Secretary cannot be submitted as a substitute to a Secretary's Certificate signed by the duly appointed Corporate Secretary.
- A One Person Corporation (OPC) applying for registration through an authorized representative shall be required to present a Written Resolution, not a Special Power of Attorney.

Implementing the Documentary Stamp Tax (DST) Rate Adjustments and Amendments to the Documents and Papers not subject to DST under Republic Act No. 12214, otherwise known as the "Capital Markets Efficiency Promotion Act" (CMEPA)

Revenue Regulations No. 19-2025
issued on 05 August 2025

- I. **Scope**
 - **Applicable Law:** Sections 244 & 245 of the

National Internal Revenue Code (Tax Code) & Sections 19, 20, 21, 23, and 25 of Republic Act No. 12214 (CMEPA).

- **Purpose:** To implement DST rate adjustments for various transactions under Sections 174, 176, and 179 of the Tax Code, and amendments to documents/papers not subject to DST under Section 199 of the same code.

II. Coverage

- **Effective Date:** Transactions from **July 1, 2025** onwards.
- **Includes:** Documents, loan agreements, instruments, papers, assignments, sales, and transfers of the obligation, rights, or property incident thereto in respect of transactions made or accomplished within the covered period

II. Definition of Terms

- **Mutual Fund Company:** an open-end and close-end company as defined under the Investment Company Act.
- **Unit Investment Trust Fund:** an open-ended pooled trust fund established, operated, and administered by a trust entity and made available by participation.
- **Debt Instrument:** instruments used in borrowing and lending transactions. This includes debentures, certificates of indebtedness, due bills, bonds, and loan agreements, including those signed abroad wherein the object of contract is located or used in the Philippines.

- It also covers government-issued instruments and securities, deposit substitutes, and certificates or other evidence of deposits that either carry significantly higher interest than regular savings deposits, considering the size and risk involved, or have a specific maturity date.

- Additionally, promissory notes, both negotiable and non-negotiable, are included, but bank notes issued for circulation are explicitly excluded.

IV. New Rate of DST on Original Issues of Shares of Stock

- Section 174 of the Tax Code, as amended by Section 19 of the CMEPA, now reads as follows:

“SEC. 174. Stamp Tax on Original Issue of Shares of Stock. — On every original issue, whether on organization, reorganization or for any lawful purpose, of shares of stock by any association, company or corporation, there shall be collected a documentary stamp tax of **SEVENTY-FIVE PERCENT OF ONE PERCENT (75% OF 1%)** of the par value of such shares of stock: Provided, That in the case of the original issue of shares of stock without par value, the amount of the documentary stamp tax herein prescribed shall be based upon the actual consideration for the issuance of such shares of stock: Provided, further, That in the case of stock dividends, on the actual value represented by each share.” *(Emphasis supplied)*

A documentary stamp tax of **75% of 1%** of the par value of shares of stock.

- **For no-par stock:** Based on the actual consideration for the issuance
- **Stock Dividends:** Based on the actual value represented by each share

V. New Rate of DST on Bonds, Debentures, and Certificates of Stock Indebtedness Issued in Foreign Countries

- Section 176 of the Tax Code, as amended by Section 20 of the CMEPA, now reads as follows:

“SEC 176. Stamp Tax on Bonds, Debentures, and Certificates of Stock or Indebtedness Issued in Foreign Countries. — A documentary stamp tax of **SEVENTY-FIVE**

PERCENT OF ONE PERCENT (75% OF 1%) of the value of the transaction shall be collected from the person selling or transferring bonds, debentures, certificates of stock, or certificates of indebtedness issued in any foreign country. " (*Emphasis supplied*)

A documentary stamp tax of **75% of 1%** of the transaction value for bonds, debentures, or certificates of indebtedness issued abroad.

VI. New Rate of DST on all Debt Instruments

- Section 179 of the Tax Code, as amended by Section 21 of the CMEPA, now reads as follows:

“SEC. 179. Stamp Tax on All Debt Instruments. — On every original issue of debt instruments, there shall be collected a documentary stamp tax of **SEVENTY-FIVE PERCENT OF ONE PERCENT (75% of 1%)** of the issue price of any such debt instrument: Provided, That for such debt instruments with terms of less than one (1) year, the documentary stamp tax to be collected shall be of a proportional amount in accordance with the ratio of its term in number of days to three hundred sixty-five (365) days: Provided, further, That only one documentary stamp tax shall be imposed on the loan agreement and promissory notes, **mortgage, security interest over personal property, and other contracts** issued to secure such loan.” (*Emphasis supplied*)

- When a loan agreement, promissory note, mortgage, security interest over personal property, or other contracts are issued together, **only one (DST)** will be imposed on either the loan agreement or promissory note, **based on the document that yields the higher tax.**
- If **only one instrument** is executed to cover the loan, promissory note, pledge, or mortgage, the DST specified under **Section 195** of the Tax Code for mortgages, pledges, and deeds of trust will be applied, calculated on the full amount of the loan or credit granted. This means the instrument is treated as covering a single taxable transaction.

VII. Documents and Papers Not Subject to Stamp Tax

- Section 199 of the Tax Code, as amended by Section 23 of the CMEPA, now reads as follows:

“SEC. 199. Documents and Papers Not Subject to Stamp Tax. — The provisions of Section 173 to the contrary notwithstanding, the following instruments, documents, and papers shall be **exempt** from the documentary stamp tax:

xxx

(e) Sale, exchange, **redemption, or other disposition** of shares of stock listed and traded through a local **or foreign** stock exchange.

xxx

(o) **Original issuance, redemption, or other disposition of shares in a mutual fund company**

(p) **Issuance of certificate or other evidence of participation in a mutual fund or unit investment trust fund.** (*Emphasis supplied*)

These Regulations shall take effect on July 1, 2025, following its publication in the Official Gazette or the Bureau of Internal Revenue's official website, whichever comes first.

Implementing the Rate Adjustment of Stock Transaction Tax (STT) and the Imposition of the STT on the Sale or Exchange of Domestic Shares of Stocks and Other Securities Listed and Traded Through a Foreign Stock Exchange under Section 17 of Republic Act No. 12214 or CMEPA, further amending Section 127 of the Tax Code Revenue Regulations No. 20-2025 issued on 05 August 2025

I. Scope

These regulations are issued pursuant to Sections 244 and 245 of the Tax Code and Sections 17 and 25 of CMEPA. They aim to implement the rate adjustment of the **STT** on the sale or exchange of **domestic shares of stock** and other securities listed and traded through a

foreign stock exchange under Section 127 of the Tax Code.

II. Definition of Terms

- **Shares of Stock:** Includes shares of stock, warrants, options, units of participation in partnerships (except general professional partnerships), joint stock companies, joint accounts, joint ventures taxable as corporations, associations, and recreation or amusement clubs (such as golf, polo, or similar clubs), and mutual fund certificates.
- **Shareholder:** Refers to holders of shares, warrants, options, units of participation in partnerships, joint ventures, and mutual funds, or members in an association, recreation, or amusement club, such as golf, polo, or similar clubs.
- **Securities:** Refer to shares, participation, or interest in a corporation, commercial enterprise, or profit-making venture evidenced by a certificate, contract, or instrument, whether written or electronic in character, which shall include:
 - Shares of stock, bonds, debentures, notes, evidence of indebtedness, and asset-backed securities;
 - Investment contracts, certificates of interest, or participation in a profit-sharing agreement, such as certificates of deposit for a future subscription;
 - Fractional undivided interests in oil, gas, or other mineral rights;
 - Certificates of assignment, certificates of participation, trust certificates, voting trust certificates, or similar instruments;
 - Proprietary or non-proprietary membership certificates in corporations; and
 - Other similar instruments as may be determined by the securities and exchange commission.

- **Dealer in Securities:** An individual, partnership, or corporation, with an established place of business, regularly engaged in buying and selling securities for profit
- **Stock Broker:** A person who negotiates or executes sales and purchases of securities on behalf of others, excluding banks or underwriters of investment companies.
- **Exchange:** An organized marketplace or facility for the trading of securities or commodities.

III. Sale or Exchange of Shares of Stock and other Securities through a Local Stock Exchange

- A **STT** will be levied on sales, exchanges, or dispositions of shares and other securities listed on a **local stock exchange** (except for transactions by dealers in securities), in lieu of capital gains tax, as follows:

Particulars	Tax Rate and Base	Effectivity
Sale, exchange, or other disposition of shares of stock and other securities listed and traded through a Local Stock Exchange	1/10 of 1% (0.1%) of the gross selling price or gross value in money of the shares of stock/other securities sold, exchanged or disposed	July 1, 2025

IV. Sale or Exchange of Shares of Stock and other Securities through a Foreign Stock Exchange

- A **STT** will also apply to the sale, exchange, or disposition of **domestic corporation shares of stock and other securities** listed and traded on **foreign stock exchanges** (again, excluding sales by dealers in securities), in lieu of capital gains tax, as follows:

Particulars	Tax Rate and Base	Effectivity
Sale, exchange, or other disposition of shares of stock and other securities of a domestic corporation listed and traded through a Foreign Stock Exchange	1/10 of 1% (0.1%) of the gross selling price or gross value in money of the shares of stock/other securities sold, exchanged or disposed	July 1, 2025

V. Sale or Exchange of Shares of Stock and other Securities through a Local or Foreign Stock Exchange by a Dealer in Securities

- Gains from the sale of listed shares and securities by a **dealer in securities** licensed by the appropriate government regulatory agencies to buy and sell securities, for the individual's own account in the ordinary course of business, will be treated as **ordinary income** and taxed under the **individual or corporate income tax** rates.

VI. Return on Sale of Shares of Stocks and other Securities Listed and Traded in a Local or Foreign Stock Exchange

- For sale through the local stock exchange, stock brokers** are required to collect and remit the STT to the **BIR** within **five (5) banking days** from the date of collection.
- They must submit a **weekly report** every Monday of transactions and taxes collected to the stock exchange's secretary, of which the stock broker is a member.
- For sales of shares listed on foreign stock exchanges, the **selling shareholder** or their authorized representative (e.g. stock broker) must remit the STT within **10 banking days** from collection.

VII. Effect of Non-Payment of Tax

- No **sale, exchange, or transfer** of shares shall be registered in the books of the corporation unless **receipts of payment of the tax** herein imposed are filed with and recorded by the stock transfer agent or secretary of the corporation.

- Stock transfer agents or corporate secretaries** must inform the BIR of any non-payment; they may face penalties if they register transfer of ownership or title on any share of stock in violation of the aforementioned requirements.

These Regulations shall take effect on July 1, 2025, following its publication in the Official Gazette or the BIR's official website, whichever comes first.

Implementing the amendments introduced by Republic Act No. 12214 or CMEPA on Sections 22, 24, 25, 27, 28, 32, 34, 38, 39, and 42 of the Tax Code

Revenue Regulations No. 21-2025 issued on 05 August 2025

I. Scope

- Pursuant to **Sections 244 and 245** of the **Tax Code**, in relation to **Sections 3 to 12 and Section 25** of CMEPA, these Regulations are issued to implement the amendments to **Sections 22, 24, 25, 27, 28, 32, 34, 38, 39, and 42** of the Tax Code.

II. Definition of Terms

- Deposit substitute:** an alternative form of obtaining funds from the public other than deposits, through the issuance, endorsement, or acceptance of debt instruments for the borrower's own account, for the purpose of relending or purchasing of receivables and other obligations.

Provided, that the term "**public**" refers to transactions involving **20 or more** individual or corporate lenders at any time. Instruments may include bankers' acceptances, promissory notes, repurchase agreements, excluding reverse repurchase agreements between the BSP and authorized agent banks, and certificates of assignment or participation with recourse.

However, debt instruments issued for interbank call loans with maturities of 5 days or less, used to cover deficiency in reserves against deposit liabilities, including those

between or among banks and quasi-banks, shall not be considered as deposit substitute debt instruments.

- **Passive income:** any income that is earned from sources that do not require a taxpayer's active pursuit and performance of trade or business and is not subject to value-added tax imposed in the Tax Code.
- **Equity-based compensation:** covers all types of employee equity schemes that come in different forms such as stock options, restricted stock units, stock appreciation rights, and restricted share awards, which may or may not pertain to the shares of stock of the grantor itself, but which all have the common feature of being granted to existing employees of the grantor as a **performance incentive for services** rendered by the employees and are typically dependent on performance, outstanding business achievements and, exemplary organizational, technical or business accomplishments.
- **Stock options:** merely entitles the employee to purchase shares at a future date. Thus, unless the options are exercised, the employees do not become shareholders. The period between the grant of stock options and the date when they become exercisable represents the vesting period.
- **Restricted stock units:** stock units may or may not be subject to a vesting period, as will be specified in the grant. Settlement of vested stock may be made in the form of (i) shares, (ii) cash or (iii) a combination of shares and cash.
- **Stock appreciation rights:** the terms and conditions are similar to stock options. However, under the stock appreciation rights,

the optionee may receive (i) shares, (ii) cash or (iii) a combination of shares and cash, as determined by the grantor.

- **Mutual fund company:** an open-end and close-end company as defined under the Investment Company Act.
- **Unit Investment Trust Fund:** an open-ended pooled trust fund denominated in peso or any acceptable currency, which is established, operated, and administered by a trust entity and made available by participation.

III. **Certain Passive Income**

- The coverage of the uniform rates of tax on certain passive income pursuant to Sections 24, 25, 27 and 28 of the Tax Code, as further amended by the CMEPA, has been amended.
- If the income is generated in the active pursuit and performance of the corporation's primary purposes, the same is not passive income. For VAT purposes, in the course of trade or business includes transactions incidental thereto.
- Also, the rule of regularity to the contrary notwithstanding, the following shall be considered as being rendered in the course of trade or business in the Philippines and, thus, subject to VAT:

- (1) Services rendered in the Philippines by non-resident foreign persons; and
- (2) Digital services delivered by non-resident digital service providers consumed in the Philippines.

IV. **Inclusion in the Gross Income**

- As provided in Section 8 of the CMEPA, amending Section 32 of the Tax Code, the following items are included as part of the gross income. These are:

1. **Equity-based compensation**, such as stock options, restricted stock units, stock appreciation rights, and similar items: *Provided* that equity-based compensation shall be included in the gross income at the time of exercise.
 2. **Gains realized from the sale or exchange or retirement** of bonds, debentures or other certificate of indebtedness including those with a maturity period of more than five (5) years. Thus, if traded thru a local or foreign stock exchange, subject to STT under Section 127 of the Tax Code; otherwise, subject to ordinary income tax (graduated rates) for individual and regular corporate income tax for corporation.
- V. **Exclusion from Gross Income**
- Pursuant to Section 8 of the CMEPA, amending Section 32(B)(7) of the Tax Code, there are additional items excluded from gross income, which means that these items are also exempt from income tax. These are:
 1. **Interest Income and Gains from the Sale, Transfer, or Disposition of Project-Specific Bonds.** — Specific bonds that are issued by the Republic of the Philippines or any of its instrumentalities to finance capital expenditures or programs covered by the Philippine Development Plan or its equivalent and other high-level priority programs of the national government, as determined by the Secretary of Finance.
 2. **Gains realized from the sale or exchange or retirement** of bonds, debentures or other certificate of indebtedness including those with a maturity period of more than five (5) years. Thus, if traded thru a local or foreign stock exchange, subject to STT under Section 127 of the Tax Code; otherwise, subject to ordinary income tax (graduated
- VI. **Additional Allowable Deductions**
- Section 9 of the CMEPA, amending Section 34 of the Tax Code, provides that securities held by dealers or licensed entities, including banks and financial intermediaries, are treated as **ordinary assets**. If these securities are found to be **worthless**, the resulting loss is treated as an **ordinary loss**, which may be deducted from taxable income.
 - Section 9 of the CMEPA likewise provides that **fifty percent (50%)** of the employer's actual contribution made to Personal Equity and Retirement Accounts (PERA) under RA No. 9505 shall be an additional deduction from gross income, subject to compliance with the requirements set forth therein.
- VII. **Entities Allowed to Claim as an Allowable Deduction the Losses from Wash Sales of Stock or Securities**
- Under Section 10 of CMEPA (amending Section 38 of the Tax Code), licensed entities and financial intermediaries, not just dealers in securities, may deduct losses from **wash sales of stocks or securities**, as long as the loss occurred in the ordinary course of their business.
- VIII. **Non-Applicability of the Limitation on Capital Losses to Dealer in Securities or Other Financial Intermediary**
- Under Section 11 of CMEPA (amending Section 39 of the Tax Code), the limitation of capital losses under Section 39 (C) of the Tax Code does not apply to **dealer in securities or other entity or financial intermediary** duly licensed by the appropriate government regulatory agencies to trade in securities that sells any bond, debenture, note, or certificate or other evidence of indebtedness issued by any corporation (including one issued by a government or political subdivision thereof), with interest coupons or in registered form.

IX. Sources of Interest Income in the Philippines

- Pursuant to Section 12 of the CMEPA (amending Section 42 of the Tax Code), interest income from debt instruments, bank deposits, deposit substitutes, trust funds, and other similar arrangements, such as bonds, notes, or other interest-bearing obligations of **residents, corporate or otherwise, regardless of the place of execution of said instruments**, including debt instruments or debt securities issued by the government or any of its agencies or instrumentalities, are also considered **sourced within the Philippines**.

X. Transitory Provision

- Any tax exemption and preferential rate on financial instruments issued or transacted prior to July 1, 2025, shall be subject to the prevailing tax rate at the time of its issuance for the remaining maturity of the relevant agreement.
- The prevailing rate or tax exemption prior to July 1, 2025 shall apply only for the remaining maturity of the relevant agreement if the following conditions are present:
 - The financial instrument was issued or transacted prior to July 1, 2025** as evidenced by the instrument itself or any other relevant agreement either in written or electronic format;
 - The instrument itself or agreement provides for the **maturity period** of the financial instrument as agreed upon or stated in the instrument which is **beyond July 1, 2025; and**
 - There is **no change in the maturity date** or remaining period of coverage from that of the original document or agreement, and **no renewal or issuance of new**

instrument to replace the old ones, starting July 1, 2025.

These Regulations shall take effect on July 1, 2025, following its publication in the Official Gazette or the Bureau of Internal Revenue's official website, whichever comes first.

Further amending pertinent provisions of Revenue Regulations No. 17-2011 to implement Section 9 of RA No. 12214 or CMEPA on Additional Deduction of Qualified Employer's Actual Contributions Made to Personal Equity and Retirement Account (PERA) Under RA No. 9505, otherwise known as the "PERA Act of 2008"

*Revenue Regulations No. 22-2025
issued on 08 August 2025*

- These Regulations amend Section 7(B) of RR No. 17-2011 in line with CMEPA.
- These Regulations update the rules on allowable deductions for employers contributing to their employees' **Personal Equity and Retirement Account** under the PERA Act of 2008.
- Applies to qualified employer contributions made to PERA starting **July 1, 2025**.

Providing the Guidelines and Procedures on the Registration, Filing of Returns, and Payment of Value-Added Tax (VAT) for Nonresident Digital Service Providers through the VAT on Digital Services Portal

*Revenue Memorandum Circular No. 78-2025
issued on 29 July 2025*

- Under RA No. 12023 and its IRR under RR No. 3-2025, nonresident digital service providers (NRDSPs) are now subject to VAT on digital services rendered to consumers in the Philippines.
- To support this, the BIR launched the VAT on Digital Services (VDS) Portal for easy registration, filing, and VAT payment by NRDSPs, aligning with global digital tax practices.

Definition of Terms

1. **Digital Services** — any service that is supplied over the internet or other electronic network with the use of information technology and where the supply of the service is essentially automated, as provided in Section 3(A) of RR No. 3-2025.
2. **Digital Service Provider (DSP)** — a resident or nonresident supplier of digital services to a buyer who uses digital services subject to VAT in the Philippines.
3. **Nonresident DSP** — a DSP that has no physical presence in the Philippines.
4. **Resident Third-Party Service Provider** — an individual or entity, such as a law firm or accounting firm, appointed by NRDSPs for purposes of registration, filing of tax return and payment of taxes, receiving notices, record keeping, and other reporting obligations.
5. **Online Registration and Update System (ORUS)** — a web-based system that provides an end-to-end process for registration of taxpayers and updating of registration information.

General Guidelines

- **Who's Covered:** All NRDSPs providing digital services consumed in the Philippines.
- **Registration & Enrollment:** Must register with the BIR via ORUS and enroll through the VDS Portal. A resident third-party service provider may enroll on behalf of the NRDSP.
- **Third-Party Appointment Notice:** Notify BIR within 30 days of appointing a third-party provider via email at rdo39_vds@bir.gov.ph, attaching a PDF copy of the Letter of Appointment.
- **VAT Filing & Payment:** File quarterly VAT returns and pay by the 25th day after each taxable quarter via the VDS Portal.

- **Penalties:** Misrepresentation, late filing, or non-payment is subject to surcharges, interest, penalties, possible criminal liability, and blocking of sites
- **Refunds & Amendments:** No VAT refunds allowed. Overpayments may be carried over via amended VAT returns (Form 2550-DS).
- **BIR Monitoring:** BIR may verify sales declarations using third-party data.
- **Data Privacy:** All information submitted via the VDS Portal is protected under the Data Privacy Act (RA 10173) and tax laws.

Procedures

A. Registration and Enrollment

The NRDSP shall create an account by accessing the official VDS Portal link <https://vds.bir.gov.ph> and following the instruction provided in the VDS User Guide posted in the VDS Portal.

B. Filing and Payment

- The NRDSPs shall log in to the VDS Portal and encode the necessary data for the filing of BIR Form No. 2550-DS and the payment of the corresponding taxes due thereon following the procedures set forth in the VDS User Guide.
- Strictly follow the payment instructions in the said VDS User Guide to ensure accurate remittance of the said payments.
- The NRDSP must ensure that the VAT payment is made at the time of filing of the VAT return on or before the twenty-fifth (25th) day of the month following the close of each taxable quarter, in accordance with the Philippine Time Zone (GMT+8), to avoid surcharge, penalties and interests.

C. Monitoring the Compliance of DSPs

- The BIR may conduct independent verification, including third-party information /sources, to determine whether NRDSPs are correctly declaring their gross sales and those of their customers for VAT purposes.

The BIR shall inform the NRDSPs of any discrepancy discovered and provide them an opportunity for voluntary correction. Failure to rectify such discrepancies may result in the imposition of administrative and criminal sanctions under Section 12 on the Suspension or Closure of Online Business Operations and Section 13 on Penalties of RR No. 3-2025.

Guidelines and Procedures Regarding Requests for Issuance of a CTC of the Commissioner of Internal Revenue's Decision on an Administrative Appeal Against a Final Decision on Disputed Assessment (FDDA) and on a Denial of the Claims for Refund of VAT and Excise Tax under Sections 112 (C) and 135-A of the Tax Code, as amended by Republic Act No. 12066, under the Jurisdiction of the Appellate Division

*Revenue Memorandum Order No. 34-2025/
Issued on 4 July 2025*

- To streamline the processing of requests for Certified True Copies (CTCs) of the Commissioner of Internal Revenue's (CIR) decisions on administrative appeals involving FDDAs and denied VAT or excise tax refund claims (under Sections 112(C) and 135-A of the Tax Code, as amended by RA No. 12066, the following documentary requirements and procedures are issued for compliance.

Documentary Requirements

- **Written Request**
 - Must state the taxpayer's name and taxable year involved
 - Signed by the taxpayer or authorized representative
- **For Individuals:**
 - Photocopy of 1 government-issued ID (with photo and signature)
 - If via representative:
 - Original SPA stating purpose and representative's name
 - ID copies of both taxpayer and

and representative, with one specimen signature each

- **For Corporations/Non-Individuals:**
 - Board Resolution/Written Resolution (in case of OPC)/Secretary's Certificate indicating the purpose and name of authorized representative
 - ID copies of both signatory and representative, with one specimen signature each
- **Proof of payment of Certification Fee** issued by the General Services Division (GSD) of the BIR National Office
- **Payment of Documentary Stamp Tax (DST)**

Procedure:

1. Submit the written request and all documentary requirements to the **Appellate Division, Room 807, 8th floor, BIR National Office**, for verification and processing of request
2. Pay **₱100 per CTC** and DST at the **GSD, Room 1011, 10th floor, BIR National Office**
3. Present proof of payment issued by the GSD and the loose DST to the Appellate Division
4. Receive the CTC of the CIR's decision

Note: Requests with incomplete or non-compliant requirements shall not be processed.

SEC Issuances

Affirming the Commission's Commitment to Ease of Doing Business and Providing for Strict Timelines in the Processing of Applications and the Guidelines for Applications Deemed Approved

*SEC MEMORANDUM CIRCULAR NO. 7 – 2025
Promulgated on 14 July 2025*

- In the commitment to ease of doing business, the SEC published and provided the following timelines:

Type of Transaction	Description	Processing Time
Simple Transaction	Routine applications with minimal discretion	3 working days
Complex Transactions	Applications requiring evaluation or coordination	7 working days
Highly Technical	Involving financial/legal review or multiple clearances	20 working days
Governed by Special Law	Specific transactions defined by law, other than the Ease of Doing Business and Efficient Government Service Delivery Act, to be processed within a certain number of days	As specified in the law and/or the SEC Citizen's Charter

- The processing time shall begin from the submission of complete documentary requirements.
- In the event that the SEC fails to act on an application or request for issuance of a license / permit/ certification / clearance, etc. within the prescribed processing period described in Section 3 of this Circular, **and no written notice of delay or deficiency has been issued to the applicant, such application or request shall be DEEMED APPROVED, provided that all required documents were submitted based on the appropriate provided checklist for the transaction.**
- Any pending application shall be immediately issued with a corresponding Payment Assessment Form (PAF) upon showing that:
 - a) all required documents were submitted;
 - b) no written notice of delay or deficiency has been issued to the applicant; and
 - c) the prescribed processing period in Section 3 hereof has lapsed
- The SEC shall then proceed to issue the license / permit / etc. not later than two (2) working days upon payment of the PAF
- Any permit, license, registration, certificate, accreditation or other authorization issued pursuant to Sections 4.1 and 4.2 shall remain subject to post-approval evaluation. Noncompliance with the directives of the

Commission following such evaluation, within a reasonable period as may be prescribed, shall result in the imposition of administrative penalties, including cancellation or revocation, if warranted.

- “Applications Deemed Approved” does not apply to:
 - a) Applications that are the subject of ongoing legal proceedings, regulatory investigations, or administrative actions
 - b) Instances where fraud, misrepresentation or submission of false information is found;
 - c) Situations where the delay was caused by force majeure or other circumstances beyond the control of the Commission; and
 - d) Applications requiring specialized technical evaluations or clearances from other government agencies
- Penalties for Non-Compliance - Any SEC personnel who causes undue delay in processing of applications without valid justification, including the deemed approved application or request under this Circular, shall be subject to corresponding administrative sanction under existing the laws and regulations

SHORTENED VALIDITY OF PAYMENT ASSESSMENT FORMS

SEC Notice
issued on 28 July 2025

- The validity of the Payment Assessment Form (PAF) has been shortened to **10 calendar days** from 45 calendar days.
- The 10-day validity will apply to PAFs for all SEC transactions, except those issued for the payment of fines and penalties, starting Monday, 28 July 2025.
- PAFs issued prior to the said date will remain valid for a period of 45 days from the date of issuance.

Tax Tweets

was conceptualized to provide and disseminate information on the latest news, issues and trends in Philippine taxation.

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