



TAX TWEETS

a monthly publication of Reyes Tacandong & Co. Tax Division

WHAT'S INSIDE

BIR ISSUANCES 11

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 **December 2025**.

BIR Issuances

Implementing the Enhanced Version of the Electronic Documentary Stamp Tax (eDST) System

Revenue Regulations No. 28-2025

Date Posted (BIR Website): 22 December 2025

Effectivity: 15 days following its publication on the Official Gazette or the BIR official website, whichever comes first.

A. PURPOSE

Implements the enhanced Electronic Documentary Stamp Tax (eDST) System pursuant to Sections 244 and 245 of the NIRC of 1997, as amended.

B. COVERAGE (MANDATORY USE OF EDST)

All taxpayers, whether individual or non-individual, falling under the following industries are mandated to use the enhanced version of the eDST system for the affixture of the prescribed documentary stamp on their taxable documents:

1. Banks, quasi-banks, non-bank financial intermediaries, finance companies, or Insurance, surety, fidelity, and annuity companies
2. Shipping and airline companies
3. Pre-need companies
4. Educational institutions (certificates such as diplomas, TORs, etc.)
5. National Government Agencies, GOCCs, and LGUs (except barangays)
6. Notaries Public
7. Other industries as may be required by the Secretary of Finance upon BIR recommendation

C. ONLINE ENROLLMENT REQUIREMENT)

Covered taxpayers must enroll online at the BIR website. Two modules are available:

- Deposit Module – Requires an advance deposit to be credited to the system's taxpayer's ledger account and shall be deducted with the tax due for every printing of the documentary stamp on the taxable document

- Non-Deposit Module – Has a facility to immediately print documentary stamp on taxable documents prescribed under Section 188 of the NIRC of 1997, as amended, with the total tax dues of all the printed documents for the month to be remitted pursuant to the prescribed deadline.

Taxpayers cannot enroll in both modules simultaneously.

Enrollment Process and Modules, as follows:

STEP	DESCRIPTION
1	Visit BIR Website
2	Register for eDST System
3	Select Module: Deposit or Non-Deposit
4	Complete Enrollment and Begin Compliance

D. LIMITATIONS ON THE USE OF LOOSE DOCUMENTARY STAMPS AND CONSTRUCTIVE AFFIXTURE

Subject to the determination and requirements by the CIR through a separate revenue issuance.

Shall only be affixed to taxable documents prescribed under Section 118 of the NIRC of 1997, as amended, whose tax due is P30, except those covered by the eDST System or the constructive affixture of the documentary stamp as the case may be

The affixture of multiple loose documentary stamps on taxable documents whose tax due is more than P30 is therefore prohibited.

The purchase of 2 or more pieces of loose documentary stamps for future affixture to taxable document is prohibited, except on instances as may be determined by the CIR thru a separate revenue issuance.

E. TREATMENT ON THE EXCESS DEPOSIT IN CASE OF CLOSURE OF BUSINESS

The Revenue District Offices (RDOs) of the BIR, in the course of their examination of books of accounts of taxpayers, applying for closure of business who are mandated to use the enhanced version of the eDST system, shall validate whether or not the taxpayers have an existing deposit balance in their eDST System's ledger accounts.



Excess deposits in the eDST ledger will be:

1. Applied to outstanding DST liabilities
2. Applied to other tax liabilities
3. Refunded if any balance remains

F. MANNER OF IMPLEMENTATION OF EDST SYSTEM

May be implemented in phases as may be determined by the CIR thru a separate issuance, including the procedural requirements for the effective implementation of the said system.

G. PROHIBITIONS ON THE SALE OF STAMPS MORE THAN ITS FACE VALUE

No person shall collect, sell or offer to sell documentary stamps for more than its face value. Violations thereof shall be subject to criminal and civil penalties.

H. PROHIBITIONS ON THE USE OF PREVIOUSLY AFFIXED LOOSE DOCUMENTARY STAMP

Any person, whether natural or juridical, executing the taxable document shall ensure that the loose documentary stamp affixed thereon is properly cancelled according to the applicable procedures prescribed in Item No. 3.c. of the "Guidelines on the Proper Sale and Affixture of Loose Documentary Stamps" under RMC No. 092-2024, before releasing the taxable documents.

Further amends the "De Minimis" benefits provisions of RR No. 2-98, as amended, increasing the ceiling of non-taxable benefits

Revenue Regulations No. 24-2025

Date Posted (BIR Website): 22 December 2025

Effectivity: 15 days following its publication on the Official Gazette or the BIR official website, whichever comes first.

Pursuant to Section 4 and 244 in relation to Section 33 of the Tax code of 1997. These regulations are promulgated to further amend RR No. 2-98, as last amended by RR No. 004-2025, with respect to "De Minimis" benefits which are exempt from income tax on compensation as well as from fringe benefit tax.

A summary table comparing the current regulations with the previous Revenue Regulations is presented below:

BENEFIT TYPE	OLD RR	RR NO. 29-2025	DIFFERENCE
Monetized Unused Vacation Leave (Private)	10 days/year	12 days/year	Additional 2 days
Monetized Unused Vacation and Sick Leave (Government)	No change (no cap)	No change (no cap)	No change
Medical Cash Allowance to dependents of employees	P1,500/semester per employee or 250/month	P2,000/semester per employee or P333 per month	Additional P500 per employee per semester or P83 per month

BENEFIT TYPE	OLD RR	RR NO. 29-2025	DIFFERENCE
Rice Subsidy	P2,000 or 1 sack of 50kg rice /month amounting to not more than P2,000	P2,500 or 1 sack of 50kg rice /month amounting to not more than P2,000	Additional P500
Uniform and Clothing Allowance	P7,000/year	P8,000/year	Additional P1,000
Actual yearly medical benefits	P10,000/year	P12,000/year	Additional P2,000
Laundry Allowance	P300/month	P400/month	Additional P100
Achievement Awards	P10,000/year	P12,000/year	Additional P2,000
Gifts given during Christmas and major anniversary celebrations	P5,000/year	P6,000/year	Additional P1,000
Meal Allowance for overtime work and night/graveyard	25% of minimum wage	30% of minimum wage	Additional 5%
Benefits received by virtue of Collective Bargaining Agreement & Productivity Incentives Schemes	P10,000/year	P12,000/year	Additional P2,000

Publishing the Full Text of the October 16, 2025 Letter from the Food and Drug Administration (FDA) of the Department of Health Endorsing the Updated List of VAT-Exempt Drugs Under Republic Act (R.A.) No. 10963 (TRAIN Law) and R.A. No. 11534 (CREATE Act)

Revenue Memorandum Circular No. 108-2025

Date Posted: 9 December 2025

Effectivity: Immediately

The FDA-endorsed list covers the following illnesses, with the corresponding number of VAT-exempt drugs:

ILLNESS	NUMBER OF EXEMPT DRUGS
Cancer	675
Diabetes	323
High Cholesterol	173
Hypertension	542
Kidney Disease	154
Mental Illness	300
Tuberculosis	75



Clarification on the Coverage of Audit Suspension Under Revenue Memorandum Circular No. 107-2025

Revenue Memorandum Circular No. 109-2025

Date Posted: 12 December 2025

Effectivity: Immediately

A. (Q1/A1) PURPOSE OF RMC 107-2025

Clarifies, in Q&A format, the scope and exceptions of the BIR audit and field operations suspension under RMC No. 107-2025. Aims to address systematic issues, protect taxpayer rights, strengthen audit integrity, and develop a transparent, standardized, and modernized audit framework.

B. (Q2/A2) EFFECTIVITY OF SUSPENSION OF AUDIT

Starting November 24, 2025, onwards, all covered field audits, operations, and related activities will be stopped unless the case falls under the exceptions listed in Section IV of the RMC.

C. (Q3/A3) AFFECTED TAXPAYERS

- All taxpayers with ongoing audits or investigations pursuant to duly issued LOAs or Mission Orders
- Individuals, corporations, estates and business owners

D. (Q4/A4) SPECIFIC AUDIT ACTIONS THAT ARE CURRENTLY SUSPENDED

- Examining books
- Verifying records
- Conducting audit-related onsite visits by revenue officers to taxpayers
- Other steps taken under an LOA or MO

It aims to suspend activities involving contact or face-to-face meetings with taxpayers, as well as on-site visits to taxpayers' premises.

E. (Q5/A5) ACTIVITIES THAT ARE SPECIFICALLY SUSPENDED

- All ongoing and upcoming field audits and related field operations
- Issuance of LOAs
- Issuance of MOs
- Issuance of Tax Verification Notices (TVNs)
- Issuance of other notices to the examination and verification of taxpayers' books of accounts, records and other related transactions

F. (Q6/A6) ISSUANCE OF SUBPOENA DUCES TECUM

The suspension includes issuing a Subpoena Duces Tecum, which is part of or necessary to carry out an audit or investigation, excluding cases falling under the exceptions of RMC No. 107-2025.

G. (Q7/A7) COVERAGE OF SUSPENSION

All BIR offices that conduct field audits and related activities are included in the suspension, including but not limited to:

- Large Taxpayers Services (LTS)
- Revenue Regions
- Revenue District Offices
- National and Regional Investigation Divisions
- Assessment Divisions
- Large Taxpayers VAT Audit Units (LTVAU)
- VAT Audit Sections
- Office Audit Sections
- Committees and task forces conducting examinations or verification of taxpayers' books of account, records, and other related transactions or investigations

H. (Q8/A8) CASES NOT COVERED BY THE AUDIT SUSPENSION

- Cases prescribing within six (6) months from November 24, 2025
- Processing and verification of estate tax returns, donor's tax returns, capital gains tax (CGT) returns, and withholding tax returns on the sale of real and personal properties, shares of stocks, together with the Documentary Stamp Tax (DST) returns related thereto (One-time Transactions ONETT cases)
- Examination or verification of internal revenue tax liabilities of taxpayers retiring from business
- LOAs/MOs needed for active criminal probes conducted by duly authorized enforcement units through verified intelligence reports, inter-agency referrals, third-party data validation, or risk-scoring anomalies that require audit action where delay would prejudice the government's case (Tax evasion cases)
- Claims for refund where the issuance of an LOA is statutorily required
- Other matters/concerns where deadlines have been imposed or under the orders of the CIR

I. (Q9/A9) PERIOD TO ASSESS AND COLLECT TAXES

- Generally, the BIR has three (3) years to assess a taxpayer's liability after the deadline set by law for filing the return.
 - If a return is filed after this deadline, the three-year period starts from the date the return was filed.
 - However, in cases of a false or fraudulent return intended to evade taxes, or a failure to file a return, the tax may be assessed at any time within ten (10) years after the discovery of the falsity, fraud, or omission.
 - After an assessment is issued within the prescriptive period, the BIR generally has another three years to collect the tax due through distraint, levy, garnishment, or court action.
- When the assessment falls within the ten-year period (such as in cases of falsity, fraud or non-filing), or if the CIR and the taxpayer agree in writing to extend the assessment period, the BIR has five (5) years from the issuance of the assessment notice to collect.

J. (Q10/A10) ACTIONS THAT SHOULD BE TAKEN IF THE PERIOD TO ASSESS A CASE IS PRESCRIBING

- Audit and investigation of cases that will expire within six (6) months from the issuance of the RMC will proceed.
- Submission of reports of investigation on these prescribing cases shall be made three (3) months prior to prescription date so as to give the Regional Assessment Division ample time for the review and evaluation of said reports and issuance of the corresponding Preliminary Assessment Notice (PAN), FAN, and for the service thereof by the concerned Offices.

K. (Q11/A11) IF THE SCOPE OF THE LOA COVERS DIFFERENT TAX TYPES, AND ONE OF THE TAX TYPES IS PRESCRIBING IN THE PERIOD MENTIONED ABOVE, WILL THE LOA BE SUSPENDED?

- No.
- Since tax returns for specific tax types have different filing periods, the reckoning date of the 3-year prescriptive period varies by tax type.



- The 3-year prescriptive period for assessment is counted from the later of the statutory deadline for the filing of the return or the actual date the return was filed, for each of the following: monthly or quarterly for withholding taxes; quarterly for VAT or percentage tax; and annual for income tax.
- In such cases, the BIR Revenue Officers are authorized to proceed with the audit and, if necessary, issue the corresponding assessment notice to avoid fragmented audits and to protect the government's right to assess.

L. (Q12/A12) AMONG THE EXCEPTIONS TO THE SUSPENSION OF AUDITS OR INVESTIGATIONS UNDER THE RMC ARE CASES WHERE STATUTORY DEADLINES HAVE BEEN ESTABLISHED. (A) DOES THIS INCLUDE DEADLINES MANDATED BY LAW AND/OR OTHER ADMINISTRATIVE ORDERS? (B) IS THE PROCESSING OF REQUESTS OR APPLICATIONS FOR TAX REFUNDS OR TAX CREDIT CERTIFICATES (TCC) COVERED BY THIS EXCEPTION?

A: The exception provided under Section IV (6) of the RMC only applies to deadlines mandated by law.

B: Yes. Processing requests or applications for tax refunds or TCC where issuance of LOA is mandatorily required, including Income Tax, Excise Tax, and VAT refund/TCC falls under the exception.

M. (Q13/A13) ARE ONETT CASES SUBJECT TO THE SUSPENSION?

- No.
- The suspension does not cover ONETT cases.
- The processing and verification of estate tax returns, donor's tax returns, CGT returns, and withholding tax returns, documentary stamp returns, and VAT returns related to these transactions will continue.
- These transactions require immediate processing for property transfers and estate settlements, so they fall under the exceptions in the RMC.

N. (Q14/A14) HOW SHOULD CASES OR WRITTEN ORDERS WITH SPECIFIC DEADLINES SET BY THE CIR BE MANAGED?

- Action on these matters can proceed, subject to the provisions of the RMC.
- This ensures that actions that are time-sensitive legally or administratively are not delayed.

O. (Q15/A15) CAN THE BIR STILL VERIFY THE WITHHOLDING TAX ON SALE OF PROPERTY/IES?

- Yes.
- When real property is sold, the BIR must verify that withholding and other related taxes were properly imposed.
- These verification processes are exceptions and may continue even during suspension.

P. (Q16/A16) RETIREMENT OF BUSINESS

- The suspension does not apply to taxpayers retiring or closing their business.
- Requests for tax clearance from taxpayers due to retirement or business closure involving gross sales or receipts exceeding P1,000,000.00 or gross assets exceeding P3,000,000.00 are subject to mandatory audits.
- The BIR must still review their books of accounts and records to determine any outstanding tax liabilities and ensure that all tax obligations are settled before a tax clearance can be issued.

Q. (Q17/A17) CRIMINAL TAX CASES

- The suspension does not apply to criminal tax investigations.
- The BIR may continue issuing LO As or MOs for ongoing or new criminal investigations if validated intelligence reports, agency referrals, credible third-party information, or risk indicators support them.
- These investigations must not be suspended because they involve potential tax fraud, which the BIR is legally required to pursue without delay.

R. (Q18/A18) TAXPAYERS REQUESTING A TAX REFUND

- Claims or applications for refunds are not subject to suspension.
- They are required to undergo audits, investigations, and verifications. Reports on refund cases must be submitted within the specified number of days, as required by the Tax Code.

S. (Q19/A19) TAX MAPPING

- Tax mapping is also suspended
- The Tax Mapping/Tax Compliance Verification Drive (TCVD) is an enforcement program in which the BIR verifies taxpayer compliance with basic administrative regulations (RMO No. 9-2006).
- Categorized under "other related transactions" because it is covered by an MO, and the data collected during this activity may be used for issuing an LOA.

T. (Q20/A20) ISSUANCE OF ASSESSMENT NOTICES, WARRANTS, OR SEIZURE NOTICES

- Assessment Notices may be issued, but only in cases under Section IV of the RMC.
- However, in all cases-whether under Section IV or not-the issuance of Warrants of Dstraint/Levy, Warrants of Garnishment, Seizure Notices, and all other activities related to the collection of delinquent taxes should be initiated and continued, this being a result of a concluded audit or assessments that have become final and executory.

U. (Q21/A21) ASSESSMENT NOTICES THAT CAN BE ISSUED AND SERVED DESPITE THE SUSPENSION

- PANs, FLD/FANs and Final Decision on Disputed Assessment (FDDA) of deficiency taxes falling under the exceptions provided under Section IV of the RMC.

V. (Q22/A22) IMPACT OF THE RMC ON THE NOD, PAN, FAN, FLD, OR FDDA ISSUED AND RECEIVED BY THE TAXPAYER BEFORE THE SUSPENSION PERIOD (CASES NOT COVERED BY SUSPENSION)

- For NOD/PAN/FAN/FLDs/FDDAs that were already served to the taxpayer prior to the issuance of the RMC, the taxpayer may proceed with the payment of the known deficiency taxes or may file a reply/protest within the statutory deadline or may submit the supporting documents in case of a request for reinvestigation.

W. (Q23/A23) SUPPOSE THE TAXPAYER HAS ALREADY AGREED TO SETTLE AND PAY THE DEFICIENCY TAXES BEFORE THE SUSPENSION TOOK EFFECT. CAN PAYMENT STILL BE MADE AFTER THE EFFECTIVITY OF THE RMC?

- Yes.
- Payments resulting from settlements or agreements finalized before the suspension may still proceed



- The suspension under the RMC affects only field audit activities, not the taxpayer's voluntary settlement or payment of known deficiency taxes.
- Since the payment agreement was made prior to the suspension, the taxpayer may continue with the payment without requiring approval.
- This must be supported by an Agreement Form (QF-06-01-2024) duly signed by the relevant BIR Officers and the taxpayer or its authorized representative prior to the effectivity of the RMC.

X. (Q24/A24) SHOULD THE LOA RELATED TO THE SETTLED CASE, UNDER THE IMMEDIATELY PRECEDING QUESTION, STILL BE INCLUDED IN THE INVENTORY OF PENDING OR UNSERVED LOAS REQUIRED BY THE RMC?

- No.
- If the taxpayer has already agreed to the liability and is just completing payment, the LOA is considered closed for audit purposes and should no longer be listed among the "pending" LOAs in the required inventory.
- However, if any remaining audit steps were not completed or documented before the suspension, the LOA must still be reported as pending.

Y. (Q25/A25) ISSUANCE OF COLLECTION LETTERS AND/OR SEIZURE NOTICES, NOTICES OF LEVY/TAX LIEN, AND SIMILAR CORRESPONDENCES FOR ENFORCING THE COLLECTION OF DELINQUENT ACCOUNTS, AS WELL AS LETTERS TO THIRD PARTIES*

- Not suspended
- The issuance of the mentioned documents, communications, or correspondences for collection purposes or to enforce the collection of delinquent accounts is not part of the audit or examination of the taxpayer's books of accounts and records.
- Instead, it is part of the collection process for delinquent accounts after the audit has concluded, become final, and is enforceable, and is therefore considered receivable accounts of the BIR.

(e.g., Land Registration Authority, Register of Deeds, Local Assessor's Office, etc.)

Z. (Q26/A26) SENDING OR SERVICE OF REMINDER LETTERS TO TAXPAYERS WITH OPEN STOP-FILER CASES, AS WELL AS FOLLOW-UP LETTERS FOR COMPLIANCE IN SUBMITTING THE REQUIRED SCHEDULES*

- Not suspended.
- The issuance and service of such letters and notices do not involve auditing or examining taxpayers' books of accounts and records.
- These communications are solely intended to ensure taxpayers' compliance with existing revenue issuances regarding the submission of information returns.

*(e.g., SLS/SLP/SLI, alphalist, inventory list, etc.)

AA. (Q27/A27) CAN TAXPAYERS STILL VOLUNTARILY SETTLE THEIR DEFICIENCY TAXES? IF YES, HOW?

- Yes.
- Taxpayers can voluntarily settle their known deficiency taxes even when audits and field operations are suspended.
- This means they do not have to wait for a Revenue Officer/Official to contact them, nor do they need prior approval from any Revenue Official before making a payment. As long as the taxpayer has accurately calculated the deficiency and adheres to the required filing and payment procedures, the BIR will accept the voluntary settlement during the suspension period.

- Payments should be made using the BIR Form No. 0605. For taxpayers enrolled under the Electronic Filing and Payment System (eFPS), they may utilize the said System in filing of the return, and payment of taxes due thereon, while for non-eFPS, they may use the eBIRForm and pay the corresponding taxes manually through the Authorized Agent Banks, or through the applicable electronic payment gateways of the BIR.

BB. (Q28/A28) ARE CONCERNED BIR OFFICES REQUIRED TO SUBMIT INVENTORY REPORTS DURING THE SUSPENSION?

- Yes.
- All concerned offices, committees, and task forces must submit an inventory of all pending, unserved, revalidated, expired, or supplementary LOAs and MOs to the Office of the Commissioner within fifteen (15) working days of the effective date of the RMC.

CC. (Q29/A29) WITH THE ISSUANCE OF THE RMC, DOES THIS SUGGEST THAT TAXPAYERS NO LONGER HAVE TO FILE OR PAY TAXES?

- No.
- Filing and payment of tax obligations will continue normally.
- The suspension only affects field operations.
- Taxpayers still need to file returns, pay taxes owed, and follow regular compliance schedules.

DD. (Q30/A30) WILL THE SUSPENSION CAUSE A DELAY IN THE BUSINESS TRANSACTIONS WITH THE BIR?

- No.
- Transactions like filing, payments, registration updates, and certification requests continue as usual.
- Only field audits and related operations are suspended.

EE. (Q31/A31) DOES THE SUSPENSION COVER ALL BIR OFFICES NATIONWIDE?

- Yes.
- The suspension applies to all investigating offices of the BIR.
- The directive is nationwide and uniformly implemented across the entire BIR.

NOTE : connected with Q7/A7

FF. (Q32/A32) WHEN WILL NORMAL AUDIT ACTIVITIES RESUME?

- The suspension will remain in place until the CIR officially issues an order lifting it.
- No audit activities may resume prior to that.

GG. SUMMARY

- **Scope and Objectives**

Key Element	Details
Effective Date	November 24, 2025
Suspended Activities	Field audits, LOAs, MOs, TVNs, on-site visits
Covered Offices	All BIR investigating offices nationwide
Purpose	Protect taxpayer rights, strengthen audit integrity, modernize framework
Impact on Taxpayers	Filing and payment obligations remain unchanged



• **Cases Not Covered by Suspension and Ongoing Operations**

Exception Category	Description
Prescribing Cases	Cases expiring within 6 months from Nov. 24, 2025
ONETT	Estate, donor's, CGT, withholding tax, DST
Business Closure	Mandatory audits for retiring businesses
Criminal Tax Cases	Tax evasion investigations continue
Refund/TCC Claims	Audits required for processing refunds
Continuing Activities	Assessment notices, collection actions, voluntary payments

Availability of the 2026 BIR Interactive Tax Calendar on the BIR Website

Revenue Memorandum Circular No. 108-2025
Date Posted: 26 December 2025
Effectivity: Immediately

FEATURES OF 2026 BIR INTERACTIVE TAX CALENDAR

- Tax deadlines per month, including the filing and payment schedules for Income Tax, Withholding Tax, Value-Added Tax (VAT), Percentage Tax, Excise Tax, Documentary Stamp Tax, and other recurring tax obligations (submission of required documents).
- List of BIR Forms - users are directed to the List of BIR Forms with link to the PDF file of each form.
- Attachments and Reports - users are directed to the required attachments to a particular tax return for submission to the BIR.
- BIR Directory - users are directed to the updated address and contact information of BIR offices, including the name of Head and Assistant Head of BIR offices.
- Authorized Agent Banks (AABs) - users are directed to the updated list of AABs accepting tax payments.
- BIR Official social media - users are directed to the official BIR Social Media Accounts.
- Guide on How to Use the BIR Interactive Tax Calendar

With the BIR's thrust to become highly digital and to save on cost, the printing of the BIR Tax Calendar shall be discontinued.

Streamlining of Requirements for the Application of a Certificate of Tax Exemption for Socialized and Economic Housing Projects Pursuant to Republic Act No. 7279 and Executive Order No. 226

Revenue Memorandum Order No. 48-2025
Date Posted: 19 December 2025
Effectivity: Immediately

A. BACKGROUND

1. Republic Act (RA) No. 10884, also known as the "Balanced Housing Development Program Amendments", introduced key enhancements to the incentives granted under Section 20 of RA No. 72791.
2. Notably, the law expressly states that a socialized housing certification issued by the Housing and Land Use Regulatory Board (HLURB) is already sufficient for a developer to qualify for tax exemption, thereby removing additional layers of approval and simplifying compliance for housing developers.

3. The Bureau of Internal Revenue (BIR), as one of the principal signatories to the Joint Memorandum Circular (JMC) entitled "Streamlining and Digitalizing the Processes Involved in the Acquisition, Construction and Development, and Disposition of All Housing Developments" plays a vital role in advancing the government's efforts to simplify, standardize, and digitalize the processes for land acquisition, development, construction, and disposition of all housing projects.
4. The JMC aims to reduce procedural bottlenecks, minimize delays, enhance transparency and strengthen inter-agency coordination.
5. Within this framework, the BIR's role is crucial in ensuring efficiency in the fiscal and tax-related aspects of housing development.
6. Specifically, the BIR is mandated to streamline the application process for tax exemptions or rulings involving socialized and economic housing projects

B. Requirement for application of CTE

1. To avail of the above CTE, applicants need only to submit the required Socialized Housing Certification, which shall be attached to a letter request in compliance with Section 4 of Revenue Memorandum Order No. 9-2014. *

*Refer to Annex I for the checklist of documentary requirements.

*Refer to Annexes I-A to 1-E for the sample format of the Socialized Housing Certification.

Circularizing BIR Revenue Memorandum Circular No. 107-2025 – Suspension of all Audit and Other Field Operations of the Bureau of Internal Revenue Until Lifted by the Commissioner of Internal Revenue

PEZA Memorandum Circular No. 2025-063
Date Posted: 9 December 2025
Effectivity: Immediately

A. Coverage of the Suspension:

The suspension applies to all BIR audit and field operation units including Large Taxpayers Service (LTS), Revenue Regions (RRs), Revenue District Offices (RDOs), Assessment Divisions, VAT Audit Units, Investigation/Special Audit Divisions, and other related offices, committees and task forces authorized to conduct examinations, verification of taxpayers' books of account, records, and other related transactions or investigations.

B. Exceptions to the Suspension:

Exceptions to the suspension are limited to certain cases, including but not limited to:

1. Audits prescribing within six (6) months from 24 November 2025;
2. One-time transactions (i.e., estate tax, donor's tax, capital gains tax);
3. Taxpayers retiring from business;
4. Active criminal investigations;
5. Refund claims where issuance of LOA is statutorily required; and
6. Other matters with imposed deadlines or special orders by the Commissioner.

C. Submission of inventory and status of LOAs

The concerned offices, committees and task forces are also directed by the Commissioner to submit an inventory and the status of all pending or unserved LOAs, revalidated or expired LOAs and supplementary or related LOAs, MOs, to the Office of the Commissioner within fifteen (15) days from 24 November 2025.



D. Complaints, concerns and suggestions:

1. In a separate Public Advisory, the BIR encourages all personnel, concerned taxpayers, and third-party observers to send their complaints, concerns, and suggestions pertaining to tax audits and issuances of LOAs and MOs to this email address: tellthecommissioner@bor.gov.ph, wherein these will be directly received, reviewed and addressed by the Office of the Commissioner.
2. Concerned RBEs may also submit their concerns to odg@peza.gov.ph with the subject: BIR Tax Audit Concerns, for further endorsement to the Office of the Commissioner.

Availability of the 2026 BIR Interactive Tax Calendar on the BIR Website

Revenue Memorandum Circular No. 108-2025

Date Posted: 26 December 2025

Effectivity: Immediately

A. Coverage (Section 1)

- a. The RBE avails of at least Five Hundred Thousand Pesos (PhP500,000.00) of ITH incentive on either the first or second year of its ITH entitlement period; or
- b. The RBE opts to avail of the EDR or five percent (5%) SCIT immediately after the start of commercial operations and generates savings in the amount of at least Five Hundred Thousand Pesos (PhP500,000.00) during the first five (5) years of its entitlement period.

B. Allowable CCPD Activities (Section 2)

- a. Provision of essential goods, products, and services including basic amenities such as food, accommodation, and transportation, to fight the effects of a pandemic; or to address the medical requirements of the community or the country during local or national public health emergency; or to use during the occurrence of natural calamities or disasters such as but not limited to, typhoons, earthquake, volcanic eruptions;
- b. Construction of public school classrooms, renovations within the public schools, donation of classroom or facilities for computers and the like;
- c. Donation of basic ICT equipment (e.g. computers, laptops, and other electronic gadgets), including software subscriptions (e.g. Microsoft Word, Excel, and Powerpoint, among others) that students may utilize under the study from home arrangement, for at least (50) public school students;
- d. Donation of data subscription/internet services for a minimum of one year for at least fifty (50) public school students;
- e. Adoption and support for the protection of mangrove areas as identified by the DENR and LGUs or Nature-Based Solutions (NBS), specifically including, but not limited to, afforestation, reforestation, revegetation, agroforestry, and other scientifically-recognized watershed management interventions implemented through formal partnerships with local communities, particularly indigenous peoples;
- f. Establishment of facilities/installation of basic energy efficiency equipment or equipment that provides clean water, electricity and/or air;

g. Vocational or Technical Scholarship/Training Program that would lead to employment opportunities for the community;

h. Establishment of publicly-accessible research and development (R&D) facilities (Basic to Advance), community-based training center, innovation centers, and other similar infrastructures (e.g. GAME HUB) to boost digital literacy and support to "Not in Education, Employment, or Training (NEET)" individuals in underserved communities;

i. Implementation of workforce development initiatives that will support the implementation of education-related legislation:

- o RA No. 8528, otherwise known as the Adopt-a-School Act of 1998 Act;
- o RA No. 12063, otherwise known as the Enterprise-Based Education and Training (EBET) Framework Act; or
- o RA No. 11448, otherwise known as the Transnational Higher Education Act;

j. Sustainable Corporate Social Responsibility (CSR) activities such as:

- o Habitat for Humanity projects;
- o Gawad Kalinga projects;
- o Putting up of public health centers;
- o Significant tree-planting projects in urban areas, national toll roads/highways (e.g. SLEX, NLEX, SCTEX, STAR) and/or in denuded forest areas/national parks/watershed areas;
- o Major cleaning projects of esteros, rivers, drainage systems and portions of Manila Bay in Metro Manila;
- o Beautification and maintenance of center islands/rotundas and the like in the thoroughfares in Metro Manila and other urban centers in the country;
- o Donation of police outposts in major intersections in Metro Manila and other major urban centers in the country;
- o Donation and maintenance of waiting sheds within Metro Manila and other major urban centers in the country;
- o Active participation in the protection of endangered animal and plant species by substantial donation to government and non-government organizations undertaking such activities; and
- o Projects/activities identified by the National Anti-Poverty Commission;

k. Donation of essential goods and services, (i.e., installation of equipment that provides clean water and/or electricity) as well as the provision of necessary asset, including the establishment and/or enhancement of facilities, to safeguard the territorial security, integrity, and sovereignty of the Philippine Island groups, particularly, the Kalayaan Group of Islands;

l. Provision of free transportation (cargo or passenger) for humanitarian, disaster, emergency, medical, and wildlife conservation missions, including the repatriation of distressed overseas Filipino workers (OFWs);

m. Scholarship opportunities for higher education and technical/vocational training for increased earning potential, greater job opportunity, and higher job security;

n. Donations to local communities/LGUs for tourism and livelihood development; and

o. Other activities as may be determined by the BOI.



C. Minimum Contribution (Section 3)

The contribution for the CCPD Program shall be equivalent to three percent (3%) of the project's ITH availed for the first or second year of its ITH entitlement period, or three percent (3%) of the savings derived from the availment of EDR/SCIT for the first five (5) years of its entitlement period, subject to a ceiling in the amount of Five Million Two Hundred Thousand Pesos (PhP5,200,000.00).

D. Compliance Period (Section 4)

The requirement under the CCPD Program shall be accomplished by the covered RBE within the ITH or EDR/SCIT entitlement period of the registered project or activity. If the RBE is in default in complying with the CCPD requirement within the allowed period, the ITH or EDR/SCIT entitlement of the RBE in its final year of availment shall be deducted an amount equivalent to three percent (3%) of the RBE's highest ITH availed or EDR/SCIT savings derived within the period of entitlement, but not to exceed Five Million Two Hundred Thousand Pesos (PhP5,200,000.00).

E. Documentary Requirements (Section 5)

The compliance with the CCPD Program shall be undertaken on a per project registration basis and shall be reflected in the project's Specific Terms and Conditions (STC). The covered RBE shall submit its intended community beneficiary and guarantee that the CCPD activity selected does not overlap with the projects of other government agencies. The grant to the RBE of the last year of the ITH or EDR/SCIT incentive shall be subject to submission of proof of compliance with the CCPD Program prior to the filing of its application for ITH or EDR/SCIT incentive for the last year of the project's entitlement period.

F. Formula for Compliance of Projects Availing of EDR or SCIT (Section 6)

The percentage of CCPD contribution of 3% shall be applied to the savings derived from the difference in the application of the regular income tax rate of 25% vis-a-vis the 20% corporate income tax rate under the EDR and 5% SCIT using the following prescribed formula:

For an RBE that has opted to avail of the EDR:

Description	Amount	
Gross Revenue or Gross Sales	xxx	
Less: Cost of Sales / Direct Cost (exclude admin expense and incidental losses)*	xxx	
Taxable Income	xxx	
SCIT rate (5%)	5%	
Income Tax Due/Payable with SCIT	xxx	xxx
Income Before Income Tax	xxx	
Multiply by: RCIT Rate	25%	
Less: Income Tax Due/Payable without SCIT	xxx	(xxx)
Savings		xxx
Multiply by: CCPD Rate		3%
CCPD Compliance		xxx

*Based on the list of allowed deductions as stipulated in Rule 2, Section 1 of the implementing Rules and Regulations (IRR) of RA No. 12066.

For an RBE that has opted to avail of the SCIT:

Description	Amount	
Income Before Income Tax	xxx	
Less: Computed Enhanced Deductions*	xxx	
Income Before Income Tax after ED	xxx	
CIT Rate (under EDR)	20%	
Income Tax Due/Payable with ED	xxx	xxx
Income Before Income Tax	xxx	
Multiply by: RCIT Rate	25%	
Less: Income Tax Due/Payable without SCIT	xxx	(xxx)
Savings		xxx
Multiply by: CCPD Rate		3%
CCPD Compliance		xxx

*Based on the list of considered as direct cost pursuant to Rule 2, Section 1 of the IRR of RA No. 12066

Recalibrated Ceilings on Interest Rates and Other Fees Charged by Financing Companies and Lending Companies

SEC Memorandum Circular No. 14, Series of 2025:

Date Posted: December 10, 2025

Effectivity: April 1, 2026

A. New Caps on Interest Rates

Effective Interest Rate (EIR)

- Capped at 12% per month (≈ 0.4% per day).
- Previously: 15% per month (≈ 0.5% per day) (older joint policy of the Monetary Board of BSP and the SEC)

Nominal Interest Rate (NIR)

- Cannot exceed 6% per month (≈ 0.2% per day).

B. Total Cost Cap

The total cost of the loan—including interest, fees, charges, and penalties—cannot exceed 100% of the original loan amount.

C. Penalties for Late or Non-Payment

Penalty charges are capped at 5% per month of the outstanding scheduled amount due.

D. Coverage

- Applies to unsecured, general-purpose consumer loans:
 - Principal amount: up to ₱10,000
 - Loan term: up to 4 months

E. Implementation Timeline

Applies to loans entered into, restructured, or renewed beginning April 1, 2026.

F. Purpose of the Circular

- To uphold consumer protection while ensuring the continued viability and competitiveness of legitimate FCs and LCs operating within the regulated sector.
- To promote financial inclusion.
- To better reflect current socioeconomic realities.
- To ensure that financial consumers are adequately protected from unconscionable interest rates and predatory lending practices.



Revised Beneficial Ownership Disclosure Rules

SEC Memorandum Circular No. 15, Series of 2025:

Date Posted: December 22, 2025

Effectivity: January 1, 2026

A. Expanded Scope of Coverage

The Rules apply to a wide range of entities under SEC jurisdiction, including:

- Domestic stock and non-stock corporations
- Partnerships
- Foreign corporations (ROHQs, RHQs, branch offices, etc.)
- One Person Corporations (OPCs)
- Incorporators, directors, trustees, shareholders, members, and beneficial owners

NEW compared to previous issuances:

- More detailed and explicit inclusion of trusts, estates, nominee arrangements, and intermediate entities.
- Mandatory disclosure obligations now extend to persons applying for incorporation, not only existing corporations.

B. Expanded and More Precise Definitions

Section 5 introduces updated and refined definitions, including:

- Authorized Filer
- Bearer Shares
- Bearer Share Warrants
- Beneficial Owner
- Beneficial Ownership Registry
- Commission
- Competent Authority
- Data Sharing Agreement
- Estate
- General Information Sheet (GIS)
- Intermediate Entity
- Legal Arrangements
- Legal Owner
- Nominator
- Nominee
- One-Person Corporation (OPC)
- Politically Exposed Persons (PEP)
- Reporting Entity
- Trust

NEW:

- A more comprehensive typology of beneficial owners and legal arrangements.
- Recognition of an estate as a legal entity capable of owning shares.
- Greater focus on tracing beneficial ownership in complex structures.

B. Clear Beneficial Ownership Identification Categories (A-I)

Section 6 introduces nine (9) detailed categories of beneficial ownership:

- A. Ownership
- B. Contractual Control
- C. Board Election Power
- D. Dominant Influence
- E. Direction of Board
- F. Property Stewardship

- G. Nominee Arrangements
- H. Other Control Mechanisms
- I. Senior Management

NEW:

- Previous rules recognized only *ownership, control, and substantial interest*.
- MC 15-2025 adds new categories like *Property Stewardship, Nominee Arrangements, Dominant Influence, and Senior Management*, providing a more robust and granular identification system.

D. Who Cannot Be Considered Beneficial Owners

Explicit exclusions include:

- Agents, nominees, trustees acting solely on behalf of another
- Employees without ownership or effective control
- Executors/administrators acting on behalf of groups
- Regulated service providers acting professionally

NEW:

- Previous versions did not clearly articulate exclusion categories.

E. Special Rules for Trusts, Estates, OPCs & Partnerships

The MC provides detailed guidance on identifying BOs for:

- OPCs owned by trusts or estates
- Partnerships with corporate partners
- Tiered ownership structures
- Cross-Border Ownership Structures

NEW:

- Tiered ownership computation rules
- Explicit BO categories for trust/estate beneficiaries, trustees, executors
- Requirement that each corporate partner must submit its own beneficial owners

F. Mandatory Recordkeeping & Verification

Corporations must:

- Maintain complete BO information (complete names, specific residential addresses, dates of birth, sex, nationalities, mobile number and/or landline, email addresses, tax identification numbers, if any, civil status, PEP, date the individual became a beneficial owner and percentage of ownership, if applicable, of all its Beneficial Owners.)
- Preserve BO records for at least 5 years after dissolution
- Provide records within the time required by the SEC

NEW:

- Specific data points required for each beneficial owner
- Stronger inspection and verification powers for SEC

G. Prohibition on Bearer Shares

The issuance, sale, or public offering of bearer shares and bearer share warrants is fully prohibited.

NEW:

- The previous rules discouraged them; MC 15-2025 outright bans them.



H. Mandatory Disclosure of Nominee Arrangements

Nominee shareholders, directors, incorporators must disclose:

- Their nominators (with name, nationality, residence, TIN/passport)
- If the nominator is a trust (identities of the trustor, trustee and beneficiaries of the trust)

NEW:

- Introduces specific obligations for existing corporations and new registrants
- Tighter rules for transparency in nominee relationships

H. Mandatory Disclosure of Nominee Arrangements

Nominee shareholders, directors, incorporators must disclose:

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- If the nominator is a trust (identities of the trustor, trustee and beneficiaries of the trust)

NEW:

- Introduces specific obligations for existing corporations and new registrants
- Tighter rules for transparency in nominee relationships

I. Strengthened Filing Timelines

- Initial BO disclosure required upon incorporation/registration
- Existing corporations to update via next GIS
- Changes in BO must be reported within 7 days

NEW:

- Previous rules allowed up to 30 days (SEC Memorandum Circular No. 15, Series of 2019); MC 15-2025 tightens deadlines significantly.

J. Creation of the Beneficial Ownership Registry

All BO information will be filed through a centralized SEC BO Registry (web-based system).

NEW:

- Establishes a uniform, centralized database

K. Expanded SEC Inspection & Enforcement Powers

The SEC is authorized to:

- Cross-check corporate records
- Perform audits and targeted reviews
- Request additional information from other jurisdictions
- Enlist the aid of government agencies and the private sector in the verification of beneficial ownership

L. Stricter Penalties

Penalties may include:

1. Failure to Disclose Beneficial Ownership (Corporation-Level Penalties)

- a. Stock Corporations with retained earnings < ₱500,000
 - o 1st violation: ₱50,000
 - o 2nd violation: ₱100,000
 - o 3rd violation: ₱250,000
 - o 4th & subsequent violations: ₱500,000

- b. Non-Stock Corporations with fund balance < ₱500,000
 - o 1st violation: ₱25,000
 - o 2nd violation: ₱50,000
 - o 3rd violation: ₱100,000
 - o 4th & subsequent violations: ₱250,000

- c. Corporations with ₱500,000–₱4,999,999 retained earnings/fund balance
 - o Penalties are 2x the amounts above.

- d. Corporations with ₱5,000,000–₱9,999,999
 - o Penalties are 3x the base amounts.

- e. Corporations with ₱10,000,000 or more
 - o Penalties are 4x the base amounts.

f. Daily Penalty for Late Filing

- Additional ₱1,000 per day of delay, up to ₱2,000,000 maximum.

2. False Declaration of Beneficial Ownership Information

If a corporation submits false beneficial ownership information:

- o SEC issues a Notice & Order, giving 15 days to correct.
- o If uncorrected:
 - Fine of up to ₱2,000,000, AND
 - The corporation may be dissolved.

3. Penalties for Directors, Trustees, and Officers

a. Failure to Exercise Due Diligence (Section 25.3)

When officers/directors fail to ensure accurate and timely disclosure:

- o 1st violation: ₱50,000
- o 2nd violation: ₱100,000
- o 3rd violation: ₱500,000
- o 4th & subsequent violations: ₱1,000,000

b. False Declaration by Responsible Officers

- o Fine of up to ₱1,000,000 each, AND
- o Disqualification from being directors/officers of any corporation for five (5) years.

4. Other Imposable Penalties (Section 25.4)

For willful violations or refusal to allow lawful SEC examinations, SEC may impose:

- o Suspension or revocation of the Certificate of Incorporation

5. Administrative Due Process Requirements

Before penalties are imposed, SEC must:

- o Issue a Notice of Violation
- o Allow the entity 15 days to respond
- o Evaluate evidence
- o Provide a written decision stating factual & legal basis

6. Other Enforcement Measures:

SEC may also use

- o Compliance Orders
- o Remedial Measures
- o Enhanced monitoring
- o Whistleblower referrals and incentives
- o Publication of non-compliant entities

NEW:

- o Penalties are now based on retained earnings or fund balance
- o More severe accountability for responsible officers
- o Possible dissolution for false BO declarations



M. Repealing Clause

The following issuances are hereby amended or repealed:

- SEC Memorandum Circular No. 15, series of 2019, as amended by SEC Memorandum Circular No. 10, series of 2022;
- SEC Memorandum Circular No. 30, series of 2020; and
- SEC Memorandum Circular No. 10, series of 2022.

N. Effectivity

These Rules shall take effect on January 01, 2026 after their publication in two (2) newspapers of general circulation in the Philippines.

Adoption of Philippine Financial Reporting Standards (PFRS) on Sustainability Disclosures and Issuance of Reporting Guidelines for Publicly Listed Companies and Large Non-Listed Entities

SEC Memorandum Circular No. 16, Series of 2025:

Date Posted: December 23, 2025

Effectivity: 15 days after publication

A. Adoption of PFRS S1 and PFRS S2 (ISSB-Aligned Standards)

The circular adopts the Philippine Financial Reporting Standards (PFRS) S1 and S2, aligned with global ISSB sustainability disclosure standards.

- PFRS S1: General requirements for sustainability-related financial information
- PFRS S2: Climate-related disclosures

These standards replace the SEC's 2019 sustainability reporting rules previously applicable only to PLCs.

B. Expanded Coverage Beyond Publicly Listed Companies

For the first time, Large Non-Listed Companies (LNLs) are required to produce sustainability reports due to their significant economic, environmental, and social impact.

Covered entities now include:

- Publicly listed companies (PLCs)
- Large non-listed entities (LNLs) under Section 17.2 of the Securities Regulation Code

C. Mandatory Sustainability Reporting Requirements

Entities must:

- Prepare and publish sustainability reports
- Disclose material information
- Align reports with internationally recognized frameworks (PFRS S1, PFRS S2)
- Ensure disclosures are board-approved

Sustainability reports must be submitted:

- As an attachment to the Annual Report for PLCs and LNLs
- Together with the Audited Financial Statements for LNLs

D. Tiered Implementation Timeline (Starting FY 2026)

Covered companies shall start adopting PFRS S1 and PFRS S2 with the following limited extensions:

Tier 1 — Reporting starting FY 2027

- PLCs with market capitalization > ₱50 billion

Tier 2 — Reporting starting FY 2028

- PLCs with ₱3 billion–₱50 billion market capitalization

Tier 3 — Reporting starting FY 2029

- PLCs with ≤ ₱3 billion market capitalization
- PLCs whose debt securities are listed solely on the Philippine Dealing & Exchange Corp. (PDEX)
- LNLs with annual revenue > ₱15 billion

Some sources specify that lower-tier firms may start earlier depending on classification.

E. Transition Reliefs

Companies' disclosure requirements are:

- Permitted to disclose information on only climate-related risks and opportunities: one (1) year for Tiers 1 & 2, two (2) years for Tier 3
- Permitted to submit its Sustainability Report after publishing its related financial statement either (a) together with the next second-quarter or half-year interim financial statements; or (b) within nine (9) months from the end of the reporting period if no interim financial statements are issued: one (1) year for all tiers;
- Not required to disclose comparative information: one (1) year for all tiers
- Use method other than GHG Protocol: A Corporate Accounting and Reporting Standard: one (1) year for all tiers; and
- Scope 3 GHG emissions are not required: two (2) years for all tiers.

F. Board Oversight and Approval

All sustainability reports must be:

- Reviewed
- Approved by the Board of Directors before submission

G. Repeal of SEC MC 4-2019

MC 16-2025 repeals the old SEC MC 4-2019, which previously required only PLCs to report on sustainability.

H. Section 8. Effectivity

This Memorandum Circular shall take effect fifteen (15) days after publication in two (2) newspapers of general circulation



TAX TWEETS

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

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