



TAX TWEETS

a monthly publication of Reyes Tacandong & Co. Tax Division

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Tax Tweets is Reyes Tacandong & Co.'s official monthly publication which highlights select and significant issuances and advisories of various government agencies including the Bureau of Internal Revenue (BIR), Securities and Exchange Commission (SEC), Bureau of Customs (BOC), Fiscal Incentives Review Board (FIRB), Philippine Economic Zone Authority (PEZA), and other regulatory bodies.

This Tax Tweets Issue covers select and significant issuances and advisories from January 2026.

BIR Issuances

REVENUE MEMORANDUM CIRCULARS

Publication of the Full Text of the Data Sharing Agreement between the BIR and the FIRB

Revenue Memorandum Circular No. 01-2026
Date Posted (BIR Website): 5 January 2026

The BIR publishes the Data Sharing Agreement that allows the FIRB Secretariat to access taxpayer registration information from the BIR system and grants the BIR access to tax incentives information of Registered Business Enterprises through the Fiscal Incentives Registration and Monitoring System Platform.

Circularizing Additional List of Personal Equity Retirement Account (PERA) Unit Investment Trust Funds (UITFs) Duly Approved by the Bangko Sentral ng Pilipinas (BSP)

Revenue Memorandum Circular No. 03-2026
Date Posted (BIR Website): 12 January 2026

The BIR releases a list of additional PERA UITFs/investment products duly accredited by the BSP. Only Income earned from the investments and re-investments of PERA assets in the PERA investment products shall be exempt from income taxes under Rule 11 of the Rules and Regulations Implementing the PERA Act of 2008, and Section 9 of RR No. 17-2011. Moreover, income from investments and re-investments of PERA assets in government securities is likewise exempt from income taxes under the said provisions.

Clarification on the Mandatory Registration of Permanently Bound Loose-Leaf Books of Accounts (BOAs) and Computerized BOAs Through the Online Registration and Update System (ORUS), and Extension of Registration Deadlines

Revenue Memorandum Circular No. 04-2026
Date Posted (BIR Website): 15 January 2026

Mandatory Registration through ORUS

The registration of Permanently Bound Loose-Leaf BOAs and Computerized BOAs shall be strictly and mandatorily completed online through ORUS within the prescribed deadlines, unless an extension is granted upon request filed by the taxpayer before the lapse of the original period.

Manual Registration: Exceptional Cases

In cases of system downtime or technical errors that prevent online registration through ORUS, taxpayers may be allowed to submit their application for registration manually (for stamping) at the concerned Revenue District Office (RDO), provided that there is an official advisory on ORUS system unavailability or screenshot of the error message encountered.

Records Not Covered by ORUS Registration

Registration of Loose-Leaf Invoices, Receipts, and other accounting records shall continue to be processed manually at the concerned RDO, as these transactions are not yet available online through ORUS.

Extension of Registration Deadlines

Due to intermittent log-in connectivity issues in ORUS, deadlines for registration of BOCs/Invoices and other accounting records were extended as follows:

REGISTRATION	DEADLINE	EXTENSION
Permanently Bound Loose-Leaf	15 January 2026	31 January 2026
Computerized	30 January 2026	17 February 2026



Letter of Authority (LOA) Verifier through REVIE

Revenue Memorandum Circular No. 05-2026

Date Posted (BIR Website): 23 January 2026

The BIR launches a new feature in Chatbot REVIE called LOA Verifier, allowing taxpayers to validate the authenticity of issued LOA(s) by inputting the Taxpayer's Name, Taxpayer Identification Number (TIN) and LOA Case Number. If an LOA is not found in the system, taxpayers may email: contact_us-LOA@bir.gov.ph for manual verification.

Providing Extension of Deadlines for Filing of Tax Return and Payment of VAT due of Nonresident Digital Service Providers (NRDSPs)

Revenue Memorandum Circular No. 06-2026

Date Posted (BIR Website): 26 January 2026

The deadline for the filing of tax returns and payment of corresponding value-added tax (VAT) of NRDSPs due on 25 January 2026 was extended until 30 January 2026 due to technical issues encountered in using the VAT on Digital Services portal.

Revised People's Freedom of Information (FOI) Manual of the BIR Updated List of FOI Receiving Officers

Revenue Memorandum Circular No. 07-2026

Date Posted (BIR Website): 27 January 2026

To ensure full compliance with and observance of the FOI Program, the BIR publishes and consolidates, for public information, the following documents:

1. The BIR Freedom of Information Manual;
2. The updated list of FOI Receiving Officers;
3. The One-Page FOI Manual (English & Filipino);
4. The BIR FOI Request Process Flowchart; and
5. The no Wrong Door Policy workflow and guidelines.

Resumption of All Tax Audit and Field Operations of the BIR that were Suspended under RMC No. 107-2025

Revenue Memorandum Circular No. 08-2026

Date Posted (BIR Website): 27 January 2026

The suspension of tax audit and other field operations imposed under RMC No. 107-2025, as clarified by RMC No. 109-2025, is lifted effective immediately.

The resumption of tax audit and related field operations shall cover, but shall not be limited to, the following activities:

- a. Issuance of Electronic Letters of Authority (eLAs), Mission Orders (MOs), and Tax Verification Notices (TVNs);
- b. Continuation and completion of audit cases previously suspended pursuant to RMC No. 107-2025;
- c. Enforcement, verification, assessment, and collection activities requiring audit or field operations; and
- d. Other audit or enforcement activities necessary to protect revenue or enforce compliance.

All tax audit and related field operations conducted upon the effectivity of this RMC shall comply with RMO No. 1-2026 prescribing revised policies, controls, and procedures for tax audit and assessment.

REVENUE MEMORANDUM ORDERS

Prescribing Revised Policies, Controls, and Procedures for Tax Audit and Assessment Following the Lifting of the Suspension Imposed under RMC No. 107-2025

Revenue Memorandum Order No. 01-2026

Date Posted (BIR Website): 27 January 2026

The RMO prescribes the revised policies, controls, and procedural guidelines for tax audit and assessment following the lifting of the suspension of tax audit and field operations pursuant to RMC No. 08-2026.

Single-Instance Audit Framework

As a general rule, a taxpayer shall be subject to only one eLA for a given taxable year, covering all applicable internal revenue tax types, including VAT.

Thus, beginning **4 March 2026**, all pending eLAs for the same taxpayer and year are to be automatically consolidated into a single eLA. However, where a request for non-consolidation is filed **not later than 16 February 2026**, the affected eLAs shall be allowed to proceed independently **until 30 April 2026**; thereafter, starting **4 May 2026**, all pending eLAs, regardless of stage, shall be automatically consolidated and may no longer proceed separately.

To ensure alignment with the Single-Instance Audit Framework and to facilitate an orderly transition to the Audit Program for 2026, the VAT Audit Sections (VATAS) and Large Taxpayers VAT Audit Units (LTVAU) shall wind up operations until 15 May 2026. Further, all existing task forces that were created primarily for the conduct of audit and assessment functions are deemed concluded and their audit and assessment functions absorbed by the appropriate regular offices of the BIR, subject to the procedures and control provided in the RMO and other applicable issuances.

Exceptions to the Single-Instance Audit Framework

A separate audit or verification authority may be issued for cases that are transactional, event-based, or terminal in nature, including, but not limited to:

- a. One-Time Transactions;
- b. Requests/Applications for Tax Clearance;
- c. Applications for Cancellation of Business Registration, subject to the Threshold Amount under RMO No. 6-2023, as amended;
- d. Cases with Fraud and Irregularity mentioned in RMO No. 24-2008, as amended by RMO No. 27-2010.

Findings of Fraud

Where there is findings of fraud established or reasonably indicated, all records, documents, and working papers relating to the affected eLAs shall be referred to the concerned Revenue Region's Regional Investigation Division (RID) or the National Investigation Division (NID). Upon such referral, the handling office shall cease further audit action on the affected eLAs, without prejudice to the issuance of a new eLA by the RID or NID, as may be appropriate.

In fraud cases, one eLA may cover several years in order to (i) determine or trace continuing transactions entered into the covered year and concluding thereafter, or those transactions concluded in the covered year that were commenced in prior years, or (ii) to establish that the same fraudulent scheme was utilized for prior or subsequent years (RMO No. 24-2008, as amended by RMO No. 27-2010).



All existing LOAs issued under the Run After Fake Transactions (RAFT) Task Force are hereby cancelled for purposes of transition and replacement and related materials of all RAFT cases shall be immediately turned over to the NID for appropriate action (issuance of new eLAs or recommend closure or termination of the case).

Issuance of New eLAs

The issuance of new eLAs shall be governed by system-based taxpayer selection, based on defined criteria and subject to centralized approval. However, where taxpayer recommendations are made by authorized offices of the BIR, such written recommendations/justification shall be endorsed by the appropriate approving authority and incorporated into the system-assisted process, subject to validation against the approved audit selection criteria and subject to approval by the Commissioner of Internal Revenue.

Pending full automation, the BIR shall implement an Anonymized Selection and Assignment Process to ensure that taxpayer identity remains concealed during initial assignment, thereby separating taxpayer selection from RO designation.

Audit and Assessment Proper

All Revenue Officers (ROs) authorized to conduct audits shall be required to use a standardized checklist of documents. For certain industries or sectors, industry-specific or sector-specific checklists, once available, shall be issued and shall be strictly followed and observed by concerned ROs. Additional documents may be requested only when they are directly relevant to the specific issues identified in the audit, reasonably necessary for proper evaluation, and within the scope of the audit, and such request shall be clearly explained and properly documented in the records.

No audit shall be considered procedurally complete unless the prescribed checklist has been duly accomplished reviewed and approved by the supervising official.

Minutes of meetings or discussions, signed by the taxpayer or authorized representative and the revenue officer, with any refusal to sign clearly noted, shall be prepared for the Discussion on Discrepancy conducted after the issuance of the Notice of Discrepancy (NOD). All other meetings or discussions with the taxpayer shall be coursed through official communication channels of the ROs, such as their official email address or official office contact numbers.

Examination and inspection of BOAs and other accounting records shall be conducted in the taxpayer's office or registered place of business, or in the appropriate BIR office, as provided under Section 235(e) of the Tax Code. However, where the records required for audit are voluminous in nature, such that transporting, handling or reviewing them at the BIR Office would be impractical, burdensome, or disruptive to the normal business operations, the taxpayer shall be given reasonable options on the manner and venue of examination, subject to the authorized scope of the audit.

ROs shall not issue unreasonable assessments; shall strictly observe due process and audit safeguards at all stages of audit and assessment; and strictly observe the assessment process prescribed under RR No. 12-99, as amended, and other applicable rules.

Sanctions

Accountability for violations of audit rules, procedures, and safeguards shall apply in accordance with applicable laws, rules, and revenue issuances. A BIR official or employee who violates, circumvents, or fails to comply with the provisions of this RMO shall be subject to the appropriate administrative, civil, and criminal liabilities, without prejudice to the filing of other actions warranted under existing laws.

Reports of alleged violations of this RMO, including unauthorized audit activities, non-observance of prescribed safeguards, or abuse of authority, or other violations may be submitted through: contact_us-LOA@bir.gov.ph

SEC Issuances

Revisions to SEC Memorandum Circular No. 1, Series of 2020, or the Revised Implementing Rules and Regulations (IRR) of the Republic Act (RA) No. 9856, Otherwise Known as the Real Estate Investment Trust (REIT) Act of 2009

Memorandum Circular No. 1, Series of 2026

Date: 8 January 2026

This Memorandum Circular revises the Revised IRR of RA No. 9856. The key changes are as follows:

1. Expanded Definition of Income-Generating Real Estate

What qualifies as "income-generating real estate" for REITs was broadened to explicitly include a wider range of properties and infrastructure with recurring cash flows, such as toll roads, airports, data centers, logistics and energy infrastructure, malls, warehouses, and related income-producing assets; while excluding from the definition real properties held primarily for sale or disposition.

2. Indirect Ownership Through Special Purpose Vehicles

REITs may now directly or indirectly own income-generating assets through unlisted special purpose vehicles (SPVs) or entities primarily holding such assets, including joint ventures. Such SPV or entity must be owned by the REIT by at least 2/3 of its outstanding and voting capital stock.

3. Extended Reinvestment Period

The period for REIT Sponsors/Promoters to utilize reinvestment proceeds has been extended from one (1) year to two (2) years following receipt of proceed or money by the Sponsor/Promoter. The reinvestment in the Philippines may take the form of investment in equity, extension of loans or purchase of debt instruments or the repayment of loans or debt instruments in relation to any real estate or infrastructure projects in the Philippines.

4. Dividend Distribution Safeguards

Where a REIT invests via an unlisted SPV or joint venture, the Constitutive Documents of such unlisted SPV or joint venture shall mandate the distribution of at least ninety percent (90%) of its distributable income prior to the REIT's own dividend declaration.



5. Refined Public Shareholder Criteria

Who is considered a “non-public shareholder” now includes persons with substantial influence over the manage or operations of the REIT, which is deemed to exist when such person or his immediately family sharing the same household holds, directly or indirectly, 10% or more outstanding shares of the REIT, or even, including those exercising indirect or family-held influence

Further Supporting the Growth and Expansion of Micro, Small, and Medium-Enterprises (MSMEs) by Extending Discounted Rates for Certain Filing Fees

Memorandum Circular No. 2, Series of 2026

Date: 9 January 2026

The discount structures for MSMEs on the following filing fees have been extended as follows:

PARTICULARS	DISCOUNT	EXTENDED UNTIL
Registration of Corporation	20% of the Assessed fee	31 March 2026
Registration of Securities	50% of the Assessed fee	30 June 2026

To qualify for the incentives, the entities must meet the asset size classifications under Section 3 of Magna Carta for MSMEs (RA No. 9501), as follows:

CLASSIFICATION	ASSET SIZE
MICRO	Not more than ₱3,000,000.00
SMALL	₱3,000,001.00 - ₱15,000,000.00
MEDIUM	₱15,000,001.00 - ₱100,000,000

For Securities Registration discounts, the entities must: (1) submit Certificate of MSME Qualification signed by the President or Treasurer; and (2) have a paid-up capital of Twenty-Five Million Pesos (₱25,000,000.00), except for agri-business corporations filing for the registration of securities pursuant to SEC MC No. 8, s. 2023 (SEC FARMS).

Guidelines on the Classification, Processing, and Submission of Amendment Applications Filed Through the Electronic Application for Modification of Entity Data (eAMEND) Portal, and Imposition of Penalties for Non-Submission of Amendment Documents

Memorandum Circular No. 3, Series of 2026

Date: 12 January 2026

This Memorandum Circular prescribes the guidelines on the revised processing procedure and revised category based on the nature of transaction under the Ease of Doing Business and Efficient Government Service Delivery Act of 2018 (EODB Act), new documentary requirements under the modified eAMEND system and the imposition of

graduated penalties for late submission and non-submission of the hard copies of the Amendment Documents.

The following amendment applications are, however, excluded from the coverage of this Memorandum Circular:

1. For increase or decrease of authorized capital stock (ACS), reclassification or declassification of shares, conversion of shares, and change in par value;
2. For foreign corporations: amendment of license, conversion of license, change of resident agent and withdrawal of license;
3. Conversion of domestic market enterprise to export market enterprise and vice versa; and
4. Conversion of Representative Office to Branch Office or vice versa.

Expanded Coverage for Simple Processing

The number of transactions that may undergo Simple Processing under the eAMEND, allowing faster approvals and issuance of digital Certificates of Filing was increased. The amendments now covered include, but is not limited to:

- Changes in corporate name, primary/ secondary purpose, principal office address;
- Changes in the number and manner of election or appointment of Directors/ Trustees;
- Provisions relating to the meetings held by Shareholders/ Members or Directors/ Trustees;
- Provisions on subscription, issuance, and transfer of shares, and rights thereon (e.g., Right of First Refusal, Pre-Emptive Rights
- Amendment of not more than four (4) provisions in the By-Laws
- Other non-complex amendments determined by SEC to not fall under Regular

Regular Processing for Complex or Highly Technical Amendments

The following amendments require Regular Processing, subject to more detailed review by the SEC:

- New By-Laws
- Amendments to By-Laws involving five (5) or more provisions
- Dissolution via shortening of corporate term
- Amendments of Articles of Partnership
- Conversions (e.g., stock to non-stock, One Person Corporation to or from ordinary stock corporation, Corporation Sole to ordinary non-stock corporation)

Mandatory Upfront Payment and Automatic Purging

Whether Simple or Regular Processing, applicants will be required to pay upfront 100% of the applicable fees within ten (10) calendar days from receipt of or the date indicated in the Payment Assessment Form (PAF).

The application shall be automatically purged in the eAMEND system in case of failure to:

1. Provide complete documents and details within five (5) calendar days from the time of creation of the account;
2. Pay the fees within ten (10) calendar days from the date reflected in the PAF for applications under Regular Processing; or
3. Comply with the SEC's compliance remark/letter within fifteen (15) calendar days from receipt of the system email compliance notification.

In any such instance, the corporation may re-apply through the eAMEND Portal.



Strict Timelines and Penalties

The Circular provides strict deadlines for the submission of the hard copies of the Amendment Documents.

In case of Simple Processing, the hard copies must be submitted upon SEC's issuance of the digital Certificate of Filing of Amended Articles of Incorporation and/or Amended By-Laws, otherwise penalties may be imposed as follows:

PERIOD OF SUBMISSION	PENALTY
Day 1 to Day 45	No Penalty
Day 16 to Day 45	₱5,000.00
Beyond 45 days	<p>Approved amendment applications under Simple Processing shall be subject to cancellation, and the digital Certificate of Filing of Amendment shall be rendered null and void.</p> <p>All corresponding filing fees shall be forfeited in favor of the Commission, without prejudice to the filing of a new application subject to applicable requirements and fees</p>

In case of Regular Processing, the hard copies must be submitted to the SEC within thirty (30) calendar days from payment of the filing fees, otherwise, the application shall be deemed cancelled/ abandoned, and all corresponding filing fees shall be forfeited in favor of the SEC.

Amendments to the Application and Definition of Terms under the Revised Securities Regulation Code (SRC) Rule 68 in relation to the Adjustment of the Audit Threshold

Memorandum Circular No. 4, Series of 2026
Date: 20 January 2026

The SEC amends the relevant provisions of the Revised SRC to reflect the increase in the mandatory audit threshold from ₱600,000 to ₱3,000,000 in total assets or liabilities.

Corporations with total assets or total liabilities at or below the prescribed threshold shall not be required to submit audited financial statements. Instead, such corporations shall submit financial statements accompanied by a Statement of Management's Responsibility signed under oath as follows:

- **For stock and non-stock corporations:** by the Chairman of the Board, President or Chief Executive Officer, and Treasurer or Chief Financial Officer, all duly authorized by the Board of Directors
- **For One Person Corporations:** by the President and Treasurer.

The amended threshold shall apply to **financial statements covering fiscal years ending on or after December 31, 2025.**

Amendments to Rule 39.1.4 of the 2015 IRR of the SRC – Rules Governing Registrars of Qualified Institutional and Individual Buyers

Memorandum Circular No. 5, Series of 2026
Date: 20 January 2026

The amendments to Rule 39.1.4 of the 2015 SRC Rules aim to clarify and harmonize rules governing entities that may act as securities registrars. The amendment updated the in relation to the Initiation of Function as Registrar, Registrar's Internal Procedures, Responsibilities of a Registrar, Registry Book of Qualified Buyers, Report of List of Qualified Buyers, Qualified Buyer Registration Reliance, Confidentiality of Information, Other Records, Review of Registration, and Cessation of Function as Registrar.

Expanding the Coverage of Subscription Contract

Memorandum Circular No. 6, Series of 2026
Date: 22 January 2026

The Circular revised the rules on increasing ACS by removing the old requirement under SEC MC No. 6, Series of 2012 that corporations submit a Special Audit Report (SAR) where subscription to the increase paid in cash is more than Fifty Million Pesos (₱50,000,000.00). Under the Circular, all cash-funded ACS increases, regardless of the amount, may now be supported by a notarized Subscription Contract (executed by the subscribers(s), the President, and the Treasurer of the corporation), with SARs required only for listed companies, public companies as defined under the SRC, entities offering securities to the public and those with secondary SEC licenses.

Term Limit of Independent Directors in Publicly-Listed Companies

Memorandum Circular No. 7, Series of 2026
Date: 26 January 2026

The Circular sets a nine (9)-year cumulative term limit for independent directors of publicly listed companies, counting continuous or intermittent service beyond six (6) months in calendar year as a full year and reckoned from calendar year 2012 for independent directors elected before the Circular's effectivity. If other regulators prescribe different limits, the shorter applies.

Once an independent director reaches the nine (9) years, s/he is permanently barred from re-election as an independent director of the same company but may still serve as a non-independent director or officer without any cooling-off period. Independent directors who shift to non-independent roles before breaching the nine (9)-year cap may return as independent directors after a two (2)-year cooling-off period.

Covered companies that breach nine (9)-year cap, shall be subject to a basic penalty of One Million Pesos (₱1,000,000.00) and a continuing penalty of Thirty Thousand Pesos (₱30,000.00) for every month that the independent director holds the seat, without prejudice to other sanctions under existing laws and regulations. A third or succeeding offense(s) for the same violation shall be subject to suspension or revocation of the company's secondary or primary license.



PEZA Issuance

Guidelines on the Application and Issuance of the Enterprise Services Division (ESD) Clearance Certificate through the Business Enterprise Registration Management System (BERMS) of the PEZA – The One Portal System (PTOPS)

Memorandum Order No. 2026-001

Date: 12 January 2026

The Memorandum Order mandates that applications for the ESD Clearance Certificate be filed, evaluated, and issued end-to-end through PEZA's PTOPS via the BERMS, to standardize the e-forms, documentary uploads, and digital issuance workflow for PEZA-registered business enterprises (RBEs). The Memorandum Order provides details on the operational process for the use of the PTOPS.

All PEZA Zone Administrators, Zone Managers and Acting Zone Managers shall provide appropriate assistance to all RBEs under their respective area/s of responsibility/ies in utilizing the PTOPS platform for the application of ESD Clearance Certificate. The ESD shall, likewise, conduct a two (2) weeks training to all RBEs for familiarization and to ensure strict adherence hereto. The RBEs may contact the PEZA-ESD on any concern pertaining to applications for the ESD Clearance in the BERMS through esd@peza.gov.ph or telephone no. 8551-3451 local 423, 424, 427, 428, and 429.

The Memorandum Order shall take effect on 1 February 2026. All manual applications received prior to the effectivity of this Order shall continue to be processed and issued under the existing manual procedures.



TAX TWEETS

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

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