



TAX TWEETS

a monthly publication of Reyes Tacandong & Co. Tax Division

WHAT'S INSIDE

| | |
|---------------|---|
| BIR ISSUANCES | 3 |
| SEC ISSUANCES | 6 |

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 February 2026.

- Operational Flexibility for Bulk Sales. For transactions covered by multiple invoices, the regulations provide operational flexibility in the manner of invoicing and VAT reporting, reducing administrative burden for large or complex supply arrangements.

REVENUE MEMORANDUM CIRCULARS

Clarifying the Tax Treatment, Documentation Requirements, and Filing of Return and Payment of Donor's Tax for Donations Consisting Purely of Cash

Revenue Memorandum Circular No. 10-2026
Date Posted (BIR Website): 4 February 2026

The BIR clarifies the tax treatment, documentary requirements, and filing and payment procedures for donor's tax on donations consisting purely of cash. The Circular covers cash donations made during the same calendar year to natural or juridical persons, including organizations, foundations, and institutions. It reiterates the obligation of donors to file the required return and remit the corresponding taxes, if any, and further clarifies that no Electronic Certificate Authorizing Registration (eCAR) is required for purely cash donations, as cash is not a registrable property requiring transfer of title under any government registry.

Manner of Filing and Payment

Donor's Tax may be paid either electronically through the available ePayment channels of the BIR or manually through Authorized Agent Banks (AABs). Tax returns shall be filed electronically through the eBIR Forms Facility, Electronic Filing and Payment System (eFPS), or tax return filing applications of Authorized Taxpayer Service Providers.

Required Documentation

The following documents must be maintained and, when applicable, filed with the appropriate BIR office:

- Proof of cash transfer (e.g., official receipt, acknowledgement letter, validated deposit slip, fund transfer confirmation);
- Proof of filing of donor's tax return (BIR Form No. 1800);
- Proof of payment of donor's tax, if applicable;
- Certificate of Donation, for tax-exempt donees;
- Valid government-issued identification for individual Donor and Donee, or Secretary Certificate/Board Resolution for non-individual taxpayers; and
- Taxpayer Identification Number (TIN) of Donor and Donee.

BIR Issuances

REVENUE REGULATIONS

Amending Sections 3, 4, and 7 of Revenue Regulations No. 9-2025 to Clarify the Manner of Filing and Payment of VAT by Registered Business Enterprises on their Local Sales

Revenue Regulations No. 1-2026
Date Posted (BIR Website): 18 February 2026

The BIR amends certain provisions of RR No. 9-2025 to refine the VAT framework for Registered Business Enterprises (RBEs) on local sales of goods and services under the National Internal Revenue Code of 1997, as amended by Republic Act No. 12066 (CREATE MORE Act). RR No. 9-2025 had mandated that local sales by RBEs be subject to 12% VAT and shifted the obligation to pay and remit this VAT to the buyer. RR No. 1-2026 addresses administrative and financial complexities that arose from this framework.

Key Amendments

The principal changes introduced by RR No. 1-2026 are as follows:

- Optional VAT Registration for Certain RBEs. RBEs operating under the five percent (5%) Special Corporate Income Tax (SCIT) regime or the Gross Income Earned (GIE) incentive may opt to register as VAT taxpayers.
- Exclusion of RBEs from the Buyer-Remittance Rule. The obligation to withhold and remit VAT is modified to exclude certain RBE-to-DME transactions, clarifying the scope of who bears the remittance liability under the buyer-pay mechanism.



These shall be filed with the Revenue District Office (RDO) having jurisdiction over the residence of the Donor (if individual), or where the Donor is registered (if non-individual), or to the Large Taxpayers Division where the Donor is registered as a large taxpayer. The documents shall also support future claims for deductions from gross income, in addition to the Philippine Council for NGO Certification (PCNC) Accreditation issued by the BIR to the Donee for cash donations to accredited donee institutions under Section 34(H) of the Tax Code, as amended.

Circularizing Republic Act No. 12312, titled "An Act Banning and Declaring Illegal Offshore Gaming Operations in the Philippines and Other Operations Related Thereto, Repealing for the Purpose Republic Act Numbered Eleven Thousand Five Hundred Ninety, Otherwise Known as 'An Act Taxing Philippine Offshore Gaming Operations', and for Other Purposes"

Revenue Memorandum Circular No. 13-2026
Date Posted (BIR Website): 27 February 2026

The BIR circularizes Republic Act No. 12312, also known as the Anti-POGO Act of 2025, which was signed into law by President Ferdinand R. Marcos Jr. on October 23, 2025, and published on October 29, 2025. The Circular formalizes the BIR's enforcement role under the new law and directs all revenue officers to intensify the campaign and raise public awareness of the illegal status of Philippine Offshore Gaming Operations (POGOs).

Key Provisions of RA 12312

The law bans and declares illegal all offshore gaming operations in the Philippines, including:

- Establishment, operation, or conduct of offshore gaming;
- Acceptance of any form of betting for offshore gaming;
- Acting as a POGO gaming content or service provider;
- Creation and operation of a POGO hub; and
- Introduction, use, or possession of POGO gaming equipment or paraphernalia.

Repeal of RA 11590

RA 12312 repeals RA 11590, the prior law that legalized and taxed Philippine Offshore Gaming Operators, and permanently cancels all licenses previously issued for POGO operations by PAGCOR and other agencies. All existing Alien Employment Permits, certificates of exemption, and work permits or visas issued to POGO workers are likewise revoked.

Outstanding Tax Liabilities

Notwithstanding the revocation of licenses and closure of operations, all POGO, POGO gaming content providers, POGO accredited service providers, and POGO local gaming agents remain liable for all taxes, duties, regulatory fees, and other charges up to the last day of their operations. The BIR is directed to audit these persons and entities to determine any outstanding tax liabilities. The POGO local gaming agent shall continue to act as the authorized representative for the payment of taxes resulting from BIR audit.

Penalties

Violators face imprisonment of up to eight (8) years and a fine of up to PHP 15 million for the first offense; up to ten (10) years in prison and a fine

of up to PHP 30 million for the second offense; and up to twelve (12) years in prison and a fine of up to PHP 50 million for the third offense. Public officials or employees convicted of violations are subject to the maximum applicable penalties.

SEC Issuances

MEMORANDUM CIRCULARS

Rules of Procedure of the Securities and Exchange Commission

Memorandum Circular No. 8, Series of 2026
Date: 11 February 2026

The SEC adopts its new 2026 Rules of Procedure (2026 Rules), which replace the 2016 framework. The 2026 Rules reduce the previous 27 rules (108 sections) into 17 rules (86 sections). More significantly, they institutionalize a digital-first system, narrow procedural leeway, and introduce mechanisms designed to accelerate enforcement and adjudication. Beyond procedural refinement, the 2026 Rules signal a broader regulatory direction: greater emphasis on efficiency, responsiveness, and accountability.

Institutionalizing a Digital-First Enforcement Framework

The 2026 Rules normalize electronic processes across SEC proceedings. All pleadings, motions, and notices are generally required to be filed electronically. Service by email — particularly through SEC-registered email addresses established under SEC MC No. 28, Series of 2020 — becomes the primary mode of communication. Complaints, summonses, and decisions may now be transmitted electronically rather than through traditional physical service. Where parties cannot be reached by email, the Rules expressly allow alternative modes of service, including publication on the SEC's website, subject to due process safeguards.

For corporations, SEC-registered email addresses must be actively monitored, and internal escalation protocols must account for real-time electronic service. Legal and compliance teams may need to adjust response timelines and ensure comprehensive knowledge of the SEC's electronic filing systems.

Significant Narrowing of Allowable Pleadings

The 2026 Rules streamline permissible pleadings to three (3) categories only:

- The Petition;
- The Answer; and
- Other pleadings specifically directed by the relevant SEC body.

All other pleadings are generally prohibited and may be expunged from the record. Motions to dismiss are now allowed only on limited grounds (e.g., lack of jurisdiction, prescription, pendency of another action, or *res judicata*). Motions for reconsideration are likewise restricted.

The filing of serial motions as a means of procedural delay is significantly curtailed. Initial submissions must be comprehensive and materially complete at the outset. For corporations, this underscores the importance of ensuring early case assessment and well-organized positions from the start — mistakes, omissions, or weak jurisdictional arguments are not easily remedied through later motions.



Clarified Procedural Stages and Jurisdictional Boundaries

The 2026 Rules provide clearer delineation between administrative (compliance/enforcement) and adjudicative (dispute) proceedings. The Rules now explicitly outline the jurisdiction of each department or office of the SEC regarding various cases, matters, and actions. New catch-all provisions require that actions analogous to enumerated matters be filed with the corresponding department, reducing ambiguity in forum selection. Definitions of key procedural documents — such as "formal charge" and "verified petition" — are refined, minimizing procedural missteps arising from mischaracterization.

Formalization of Case Conferences and Virtual Proceedings

The 2026 Rules codify the SEC's discretionary authority to conduct case conferences at any stage of an investigation or proceeding. After the filing of an Answer, the appropriate SEC office may call a conference to: explore settlement, simplify issues, enter stipulations, fix hearing dates, and verify contact information. Virtual conferences are now expressly authorized, codifying practices that emerged during the pandemic. When virtual conferences are not practical, the Commission may direct parties to submit position papers in lieu of personal appearance.

Failure to attend a scheduled conference constitutes a waiver of one's right to present additional arguments or evidence, with the case proceeding based solely on existing submissions. Calendar and attendance controls must be strictly observed to avoid non-participation risks.

Enhanced Contempt Powers and Daily Fines

The 2026 Rules significantly strengthen the Commission's contempt powers, particularly for indirect contempt arising from defiance of Commission orders. While fines for indirect contempt remain capped at PHP 30,000.00, a significant addition is the imposition of a daily fine of PHP 1,000.00 for unjustified and willful refusal to comply with lawful SEC orders, decisions, resolutions, or subpoenas. This daily fine accrues until full compliance is achieved.

Corporations are therefore advised to treat Commission orders and subpoenas with the same urgency as court orders. Decisions to challenge SEC directives should follow formal remedies under protest rather than non-compliance, as the costs of defiance now extend to escalating financial penalties that continue to accrue daily.

For a deeper dive, please see our latest publication "[The SEC's 2026 Rules of Procedure: Practical and Governance Implications for Corporations](#)".

Link: <https://www.reyestacandong.com/sec-2026-rules-of-procedure-corporate-governance/>

Filing of Annual Financial Statements and General Information Sheet

Memorandum Circular No. 9, Series of 2026
Date: 13 February 2026

The SEC prescribes the guidelines for the 2026 filing of Annual Financial Statements (AFS) and General Information Sheets (GIS) for all corporations, branch offices, representative offices, regional headquarters, and regional operating headquarters of foreign corporations under its jurisdiction.

Filing Deadlines

Corporations whose fiscal year ends on December 31 must file their AFS through the SEC Electronic Filing and Submission Tool (eFAST) on or before May 29, 2026. The same schedule applies to corporations under the jurisdiction of SEC Extension Offices. The following corporations follow different schedules:

- Corporations with fiscal years ending on a date other than December 31: within 120 calendar days after the end of their respective fiscal year;
- Listed companies, public companies under the SRC, and entities covered under Section 17.2 of the SRC: within 105 calendar days after the end of fiscal year, as an attachment to their Annual Reports (SEC Form 17-A); and
- Corporations whose AFS are audited by the Commission on Audit (COA): subject to specific documentary requirements.

Mandatory Electronic Filing through eFAST

All AFS and GIS must be submitted electronically through eFAST. Submissions through email, mail, courier, or over-the-counter are no longer accepted. GIS submissions must be made within thirty (30) calendar days from the date of the actual annual stockholders' or members' meeting (for stock and non-stock corporations, respectively), and within thirty (30) calendar days from the anniversary date of the issuance of their respective SEC licenses (for foreign corporations).

SEC-Accredited External Auditors

Corporations covered under Part 1, Section 3(B) of the Revised SRC Rule 68 are required to engage SEC-accredited external auditors under the appropriate accreditation category.

Guidelines on the Compliances of One Person Corporations (OPCs)

Memorandum Circular No. 10, Series of 2026
Date: 16 February 2026

The SEC issues updated compliance guidelines for One Person Corporations (OPCs), including requirements for the submission of officer appointments and annual reportorial compliance. Among the key provisions:

- Appointment of Officers. The OPC-Appointment of Officers (OPC-AO) Form must be submitted within fifteen (15) days from the date of issuance of the OPC's Certificate of Incorporation, or within five (5) days from when any subsequent change in officers is reflected.
- Annual Financial Statements. OPCs with fiscal years other than December 31 must file their AFS within 120 calendar days from the end of their fiscal year. OPCs with December 31 fiscal year-ends follow the general AFS filing schedule under SEC MC No. 9, Series of 2026.

Minimum Public Ownership Rules for Issuers of Shares of Stock to be Listed on an Exchange

Memorandum Circular No. 11, Series of 2026
Date: 24 February 2026

The SEC prescribes the Minimum Public Ownership (MPO) Rules applicable to companies intending to register their shares for the purpose of undertaking an initial public offering (IPO) and to companies whose shares are already publicly listed. The Circular introduces a tiered MPO framework, defines the obligations of covered companies pre-listing and post-listing, and outlines monitoring, reporting, sanctions, and transitory requirements.



The Circular is issued pursuant to provisions of the Securities Regulation Code (SRC) authorizing the SEC to formulate policies on capital market development, approve securities registration statements, prescribe required disclosures, and impose conditions for investor protection. It responds to evolving IPO activity, liquidity conditions, and the need to recalibrate listing requirements to maintain the Philippines' competitiveness as an IPO venue. Through these rules, the SEC aims to support orderly trading, investor protection, and appropriate levels of public participation in companies undertaking initial public offerings.

Guidelines on the Issuance and Disclosure of Sukuk

Memorandum Circular No. 12, Series of 2026

Date: 25 February 2026

The SEC establishes a regulatory framework for the issuance, registration, disclosure, and continuing obligations applicable to Sukuk, Shari'ah-compliant financial instruments recognized under Philippine law. The Guidelines implement the policy direction of Republic Act No. 11439 (Islamic Banking Act of 2019) and align with global Islamic finance practices to promote transparency, investor protection, and capital market development.

The Circular sets forth a comprehensive framework governing Sukuk issuance in the Philippines, ensuring full compliance with the Securities Regulation Code while supporting the national agenda to promote Islamic banking and finance. It intends to create a conducive environment for domestic and international Sukuk issuances by aligning with Shari'ah principles, strengthening investor protection through clearer disclosure and governance requirements, and enabling Philippine issuers and foreign entities to access Shari'ah-compliant financing instruments with greater confidence. Certain entities are not required to register the Sukuk issuance but must still notify the SEC of their Sukuk issuance and submit the required disclosures.

SEC-OGC OPINION

Composition of the Board of Directors, Qualification of Foreign Representatives, and Beneficial Ownership Disclosure

SEC-OGC Opinion No. 26-03

Date: 9 February 2026

The SEC Office of the General Counsel (SEC-OGC) issued an important opinion in response to queries from Guangxi Construction Philippines, Inc. on matters relating to (A) the definition and qualification of board members, (B) the qualification of foreign nationals for corporate positions, (C) the number and qualification of directors, and (D) nominee shareholding and beneficial ownership disclosure. The pertinent rulings, which incorporate the applicability of the recently issued "Revised Beneficial Ownership Disclosure Rules" are as follows:

A. Definition and Qualification of Board Members

- The terms "Member of the Board" and "Director" are synonymous and interchangeable under the Revised Corporation Code (RCC). A director is one formally elected as a member of the board and is not automatically appointed by virtue of share ownership.

- A nominee shareholder holding shares on behalf of a parent company may validly serve as a director, provided that at least one (1) qualifying share is transferred to the nominee and recorded in the corporate books, as it is the legal title on the books — not beneficial ownership — that determines directorial eligibility.

B. Qualification of Foreign Nationals for Corporate Positions

- For corporations engaged in wholly or partially nationalized activities — including corporations subject to the 60% Filipino-40% foreign ownership requirement — foreign nationals are banned from being appointed to management positions such as president, vice president, treasurer, auditor, and corporate secretary, pursuant to the Anti-Dummy Law.
- Foreign nationals may, however, be elected as directors in proportion to their allowable share in the capital of the entity.
- A foreign national may serve as Chairman of the Board only where the Chairman's functions are limited to presiding at board meetings and do not include executive functions. Conversely, if the Chairman performs executive functions, a foreign national cannot qualify for the position.
- The Corporate Secretary must be a citizen and resident of the Philippines, and the Treasurer must be a resident of the Philippines, under Section 24 of the RCC.

C. Number and Qualification of Directors

- Directors must be natural persons. An ordinary corporation (other than a One Person Corporation) must have at least two (2) directors. Vacancies may be filled by the remaining directors constituting a quorum, or by stockholders at a meeting called for such purpose, at the corporation's option.
- Where a corporate shareholder is elected as a stockholder, it must designate a natural person representative to sit as director. Such representative must hold at least one (1) qualifying share registered in his/her name.

D. Nominee Shareholding and Beneficial Ownership Disclosure

The SEC-OGC clarified that under SEC MC No. 15, Series of 2025 (Revised Beneficial Ownership Disclosure Rules), beneficial ownership disclosures must now be submitted through the Hierarchical and Applicable Relations and Beneficial Ownership Registry (HARBOR), which took effect on January 30, 2026. The 2026 version of the General Information Sheet (GIS) no longer includes a page for beneficial ownership disclosures. Key rules on disclosure include: The SEC-OGC clarified that under SEC MC No. 15, Series of 2025 (Revised Beneficial Ownership Disclosure Rules), beneficial ownership disclosures must now be submitted through the Hierarchical and Applicable Relations and Beneficial Ownership Registry (HARBOR), which took effect on January 30, 2026. The 2026 version of the General Information Sheet (GIS) no longer includes a page for beneficial ownership disclosures. Key rules on disclosure include:

- Nominee incorporators, directors, trustees, and shareholders must disclose their status as nominees and the identity of their nominators/principals, including full names, country of residence, nationality, and TIN or passport number.



- For newly registered entities, beneficial ownership information must be submitted at the time of incorporation or registration — no certificate of incorporation shall be issued until such information is provided.
- For existing entities, beneficial ownership must be provided with the next GIS filing following the effectivity of the rules.
- Any change in beneficial ownership must be reported within seven (7) calendar days from the date of the change.
- Compliance may be achieved through HARBOR without the need to amend the Articles of Incorporation or transfer shares, provided the required disclosures are made.



TAX TWEETS

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

FOR YOUR COMMENTS AND SUGGESTIONS,
PLEASE CONTACT:

Feliza A. Peralta

faperalta@revestacandong.com

Atty. Eleanor M. Montenegro

mcemmontenegro@revestacandong.com

Tax Partners:

Glenn Ian D. Villanueva

Atty. William Benson S. Gan

Mary Josephine D. Tesalona

Atty. Rommel T. Geocaniga

Atty. Arvin Stephen L. Molina

Atty. Sheryl Ann Tizon-Lalucis

Joel M. Ganalon

Atty. Jessieh Rey B. Curammeng

Riozaldy M. Cuyson

Atty. Ryan M. Liggayu

Atty. Senen Antonio B. Lainez

Atty. John Emil F. Recuenco

Editorial Team:

Atty. Myk Gregory L. Albao

Atty. Lorena M. Morales

Atty. Angelico R. Consunji