



TAX TWEETS

a monthly publication of Reyes Tacandong & Co. Tax Division

WHAT'S INSIDE

BIR ISSUANCES	10
SEC ISSUANCE	1
BOC ISSUANCE	1
FIRB ISSUANCES	2

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 March 2026.

BIR Issuances

REVENUE REGULATIONS

Guidelines in the Availment of the Fiscal Incentives Under Section 38 of Republic Act No. 12120, Otherwise Known as the "Philippine Natural Gas Industry Development Act"

Revenue Regulations No. 002-2026
Date Posted (BIR Website): 17 March 2026

The Regulations implement fiscal incentives under the **Philippine Natural Gas Industry Development Act (RA 12120)**.

Key fiscal incentives include:

- VAT exemption on the purchase and sale of **indigenous natural gas**, aggregated gas, and **electricity generated** using indigenous natural gas
- VAT exemption on **aggregated gas** applies only to the portion attributable to indigenous natural gas
- **PDNGI facilities** may also avail of **Title XIII Tax Code incentives**, subject to **DOE certification, SIPP inclusion, and BOI registration**
- **Double availment prohibited** — taxpayers cannot claim similar incentives under other laws

Taxpayers availing of VAT exemption must submit **DOE endorsements and certifications** with their **Quarterly VAT Declaration (BIR Form 2550Q)**.

REVENUE MEMORANDUM ORDERS

Revised Policies, Guidelines and Procedures in the Filing and Submission of Statement of Assets, Liabilities and Net Worth (SALN)

Revenue Memorandum Order No. No. 5-2026
Date Posted (BIR Website): 02 March 2026

This issuance updates and streamlines the policies, guidelines, and procedures for filing and submitting the **SALN of all BIR officials and employees**, in accordance with the newly adopted **Omnibus Rules on SALN under CSC Resolution No. 2500632**.

The Order reinforces truthful accomplishment, standard formatting, strict deadlines, enhanced oversight by Review and Compliance Committees (RCC), and strengthened data privacy controls. It also **outlines documentation requirements, submission workflows, and administrative penalties for non-compliance**.

This issuance provides the following deadlines for the filing of the SALN:

- **March 15** – Deadline for all BIR officials and employees to submit their SALN to their respective RCC. [RMO NO. 5-2026]
- **Within 30 days from assumption or separation from service** – SALN filing requirement for newly hired or retiring employees

Sanctions for failure to comply include suspension (one month and one day to six months), dismissal from service, depending on the nature of the frequency of the offense.

Key Offenses for BIR Officials and Employees include the following:

- Failure to submit SALN
- Failure to correct and resubmit SALN after RCC review.
- Misdeclaration or nondisclosure in bad faith of any asset, liability, business interest, financial connection, or relative in government.



Amendments and Supplemental Guidelines Governing the Implementation of Revenue Memorandum Order No. 1-2026

Revenue Memorandum Circular No. 06-2026

Date Posted (BIR Website): 04 March 2026

The following amendments to RMO No. 1-2026 are as follows:

EVENT	UPDATED DATE (TO COLUMN)
Deadline for filing written Requests for Non-Consolidation of VAT Audit Cases	March 13, 2026
Automatic consolidation of all pending eLAs except those with filed Requests for Non-Consolidation	March 20, 2026
Last day of audit operations for VAT Audit Sections (VATAS) and Large Taxpayers VAT Audit Unit (LTVAU)	May 15, 2026
Automatic consolidation of all pending eLAs were previously allowed to proceed separately pursuant to a Request for Non-Consolidation	May 18, 2026
Last day of VATAS and LTVAU for winding-up operations	May 29, 2026

This issuance provided the different processes depending on the respective procedural stages: (1) Consolidation Prior to FAN Stage, (2) Consolidation to FAN Stage; (3) Cases with FDDA.

Further, this RMO implemented a **No Regression Rule** where consolidation should not result in the reversal of a case to an earlier procedural stage in the statutory due process sequence.

Adoption of Energy Efficiency and Conservation Measures Pursuant to Memorandum Circular (MC) No. 114 Dated March 6, 2026 of the Office of the President (OP), Malacanang Palace

Revenue Memorandum Order No. 007-2026

Date Posted (BIR Website): 9 March 2026

The BIR adopts **energy efficiency and conservation measures** pursuant to **OP Memorandum Circular No. 114**.

Key measures include:

- **Four-day onsite work week (Mon–Thu, 8am–5pm) and Work-from-Home every Friday**, except frontline offices
- **Frontline services must remain operational**, with staggered or rotational staffing if needed
- **Friday meetings, trainings, and conferences** to be conducted **online**
- **Official travel limited** to essential activities only
- **Encouragement of BIR eServices** (eFPS, eBIRForms, eAFS, etc.)
- **Reduced energy use** (limited AC, lighting, elevator use, vehicle fuel consumption)
- **Target energy reduction of 10–20%** with assigned Energy Conservation Officers

This Order remains in force **until lifted by the President**.

Amending Revenue Memorandum Order No. 37-2023 on the Guidelines and Procedures in the Processing of Customer Satisfaction Survey for Frontline Services under Client Support Service

Revenue Memorandum Order No. 008-2026

Date Posted (BIR Website): 12 March 2026

The Order **amends RMO No. 37-2023** and revises the processing of **Customer Satisfaction Surveys** for BIR frontline services.

Key changes include:

- **Processing of Customer Satisfaction Survey Forms for Frontline Services will be delegated to RDO Client Support Section (CSS) Chiefs** (from Regional Client Support Unit (CSU) Heads)
- Surveys to be conducted **via online (QR/MS Forms) and manual forms**
- **Monthly retrieval and processing** of survey results required
- **Reports and summaries** to be submitted to consolidating offices within prescribed deadlines
- **Unannounced validation** of survey results may be conducted by BIR

The Order aims to **improve timeliness, efficiency, and monitoring of taxpayer feedback** on frontline services.

REVENUE MEMORANDUM CIRCULARS

Clarifying Revenue Memorandum Circular (RMC) No. 8-2026 on the Lifting of the Suspension of Tax Audit and Field Operations, Revenue Memorandum Order (RMO) No. 1-2026, and RMO No. 6-2026 on the Implementation of Revised Audit Policies, Procedures, and Safeguards

Revenue Memorandum Circular No. 014-2026

Date Posted (BIR Website): 4 March 2026

This issuance clarifies the rules and procedures under RMC 8-2026, RMO 1-2026, and RMO 6-2026 relating to the lifting of audit suspensions and the implementation of revised audit policies and safeguards.

The key topics include the following:

1. **Authorized Audit and Verification Instruments**

- Replacement eLAs issued due to reassignment or administrative adjustments do not create new audit authority and must retain the original taxpayer, taxable period, and scope.
- There are limits on expanding the scope of TVNs and explains that replacement eLAs cannot cover additional taxable periods without undergoing the full system-assisted selection and approval process. Audit actions continue uninterrupted even if a taxpayer questions the validity of a replacement eLA

2. **Single-Instance Audit Framework**

- Multiple eLAs covering the same taxpayer and period must be automatically consolidated, unless a timely request for non-consolidation is filed.



- During transition, previously assessed and paid liabilities remain closed, and only remaining unsettled issues may continue under the Replacement eLA.
- The framework ensures that a single audit authority covers a taxpayer per taxable period, preventing duplicate or parallel audits

3. System-Assisted Audit Initiation and eLA Issuance

- The audit selection criteria may be modified but must always be implemented through the system-assisted audit selection mechanism.
- Verified information or complaints may justify an audit but must first undergo legal evaluation under RR 16-2010 rather than direct system-assisted selection.

4. Consolidation of Pending Audits

- Outlines deadlines highlighting deadlines concerning consolidation and requests filed beyond the deadline shall not be allowed and an automatic consideration will proceed.
- Clarified that Requests for Non-Consolidation are only applicable if there are multiple pending LOAs/eLAs

5. Transfer and Dissolution of VAT Audit Offices and Task Forces

- The Circular states that VAT audit offices may continue processing pending cases only until May 15, 2026, after which they must stop audit functions (except VAT refunds) and wind down until May 29.

Circularizing the Implementing Rules and Regulations of Republic Act No. 11650, otherwise known as the "Instituting a Policy of Inclusion and Services for Learners With Disabilities in Support of Inclusive Education Act"

Revenue Memorandum Circular No. 019-2026

Date Posted (BIR Website): 11 March 2026

- The BIR circularized the Implementing Rules and Regulations (IRR) of Republic Act No. 11650, which institutionalizes inclusive education for learners with disabilities.

The IRR provides for:

- Adoption of inclusive education in all public and private school
- Establishment of Inclusive Learning Resource Centers (ILRCs) in cities and municipalities
- Provision of support services and assistive interventions for learners with disabilities
- Preparation of individualized education plans (IEPs)
- Inter-agency coordination and learner assistance programs

The issuance is for **information only** and does not introduce new tax rules.

Guidelines in the Filing of Annual Income Tax Returns and Payment of Corresponding Taxes Due Thereon for Calendar Year 2025

Revenue Memorandum Circular No. 020-2026

Date Posted (BIR Website): 16 March 2026

The issuance provides guidelines on the filing of **Annual Income Tax Returns (AITR)** and payment of taxes for **Calendar Year 2025**, pursuant to the **Ease of Paying Taxes (EOPT) Act** and RR No. 4-2024.

Taxpayers are reminded to file their AITRs electronically through the following platforms:

- Electronic Filing and Payment System (eFPS)
- Offline eBIRForms Package (v7.9.5)
- BIR-certified Tax Software Providers (TSPs)

Manual filing is allowed only when:

- BIR electronic platforms are unavailable
- There is justifiable reason approved by the Commissioner
- The tax return is not yet available electronically

The circular also reiterates that payments shall be made electronically through:

- eFPS
- ePayment gateways (LandBank Link.Biz Portal, UnionBank Online, DBP PayTax Online such as Maya and MyEG, etc.)
- Manual payment through Authorized Agent Banks (AABs) only in allowed cases

The issuance further provides guidelines for **micro and small taxpayers**, including:

- Micro and Small taxpayers may file using **BIR Forms Nos. 1701-MS, 1701, or 1701A**
- **BIR Form No. 1701-MS** is currently available only for **manual filing**
- Micro and Small taxpayers may instead electronically file using **BIR Forms No. 1701 or 1701A** with **minimum required fields**

The circular also clarifies that:

- AITR attachments shall be submitted electronically through **eAFS**
- Stamping the AITR or marking it as "RECEIVED" is no longer required. **Instead, the Filing Reference Number (FRN) or the Tax Return Receipt Confirmation (TRRC) serves as valid proof of filing.**
- Manual submission of attachments is allowed only during system unavailability

Finally, **no penalties** shall be imposed for:

- Wrong venue filing
- Micro and Small taxpayers who filed using Forms 1701/1701A electronically
- Micro and Small taxpayers who filed manually using Form 1701-MS

Tax Treatment of Development Assistance Activities Carried Out by the Foreign Assistance Section of the United States Embassy in the Philippines

Revenue Memorandum Circular No. 21-2026

Date Posted (BIR Website): 19 March 2026

The Circular updates RMC No. 40-2007 by replacing references to USAID with the Foreign Assistance Section (US-FAS) of the U.S. Embassy and extends to the US-FAS the same VAT-related privileges, exemptions, and procedures previously granted to USAID and its implementing agents. It also



provides amendments aligning VAT rules with updated tax laws, prescribes transitory rules for surrendering existing VAT Exemption Certificates, and clarifies that the Circular takes effect immediately.

This issuance also provided a list of amendments and revisions applicable to US-FAS such as but not limited to the use of "invoice" pursuant to R.A. 11976.

Clarifying the Application of RMC Nos. 5 2024 and 38 2024 on the Tax Treatment of Cross Border Services

Revenue Memorandum Circular No. 024-2026

Date of Issuance: 30 March 2026

BACKGROUND:

RMC No. 24-2026 was issued to clarify the proper application of RMC Nos. 5-2024 and 38-2024, and to ensure alignment with the statutory and jurisprudential standards, and provide certainty to both revenue officers and taxpayers.

The circular aims to address concerns during tax evaluations and assessments involving cross-border services have been undertaken beyond the contemplation of, and in a manner inconsistent with, the framework set forth under the governing jurisprudence.

KEY CLARIFICATIONS:

1. Cross-border services are not automatically taxable in the Philippines (Q&A No. 1 of RMC No. 24-2026)

RMC 24-2026 emphasizes that merely being classified as "cross-border services" listed in RMC 5-2024 are not automatically subject a transaction to Philippine income tax

The general rule remains that income from services is taxed where the service is performed.

However, the Aces Philippines case expands the situs rule for taxation of services by including the place where the benefit is received or where the service is completed may also determine taxability in the Philippines.

Revenue Officers invoking the rule under the Aces Philippines case as a basis for their assessment must establish that the source of income within the Philippines.

2. Revenue Officers must establish four (4) essential elements before assessing tax (Q&A No. 2 of RMC No. 24-2026)

In determining source of income, it requires an examination of the entire cross-border service agreement as a whole, and must not isolate or compartmentalize a single activity as the sole income-producing act.

To conclude that income from a cross-border service is taxable in the Philippines, the BIR must factually prove the following essential elements:

1. The parties include a Philippine payor and a non-resident service provider.
2. The specific activity or service is:
 - integral to the completion or delivery of the non-resident's service; and
 - resulted in a payment or accrual that created economic benefit for the non-resident.
3. The situs of the income-producing activity is within the Philippines; and
4. There is no applicable exemption under law or treaty.

3. Taxpayers must present evidence to prove the income is from sources outside the Philippines (Q&A No. 3 of RMC No. 24-2026)

RMC 24-2026 reiterates that the burden of proof lies with the taxpayer. Acceptable documents include, as applicable:

- Sworn statement detailing the parties to the transaction, relevant circumstances, and the nature and description of the services rendered;
- Service contracts, statements of work, invoices;
- Tax Residence Certificate (TRC) of the non-resident service provider;
- SEC Certification of Non-Registration of the NRFC;
- Proof of organization or registration of the non-resident service provider;
- Proof of outward remittance payment;
- BIR ruling, if available;
- BIR Certificate of Entitlement to Treaty Benefit, if available; or
- Other relevant documents to prove that the subject income is not from sources within the Philippines.

The BIR may accept certified photocopies, following RMO 1-2026. The BIR may require the presentation of original documents for verification purposes.

4. A BIR confirmatory ruling is not a condition precedent for the application of the applicable tax treatment (Q&A No. 4 of RMC No. 24-2026)

The absence of a ruling does not prejudice the taxpayer if evidence supports the tax treatment provided that the legal and factual bases for the same are duly established competent evidence during the assessment process.

Nevertheless, taxpayers may still request a ruling for confirmation following existing rules and procedures.

SEC Issuance

MEMORANDUM CIRCULARS

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

SEC Memorandum Circular No. 13, Series of 2026

Issued on 26 March 2026

I. From the Effectivity of this Circular to 31 December 2026

PARTICULARS	DISCOUNTS
Registration of Corporation	20% of the assessed fee



II. The Discount for the Registration of Securities, under MC No. 8, S. 2025, shall remain in effect until 30 June 2026

PARTICULARS	DISCOUNTS
Registration of Securities (including, among others, securities being registered by qualified power generation companies and distribution utility companies pursuant to SEC MC No. 4, s. 2024, real estate developers and/or managers in relation to rental pool agreements pursuant to SEC MC No. 12, s. 2024, agri-business corporations pursuant to SEC MC No. 8, s. 2023, and hospitals pursuant to SEC MC No. 11, s.2017)	50% of the assessed fee

III. Coverage and Conditions of Availment

1. At the time of filing, applicants should fall under the definition of MSMEs, as provided under Section 3 of RA No. 9501, as follows:

CLASSIFICATION	ASSET SIZE
Micro	Not more than PHP 3,000,000.00
Small	PHP 3,000,001.00 to PHP 15,000,000.00
Medium	PHP 15,000,001.00 PHP 100,000,000.00

2. In order for Securities Registration filings to be entitled to a discount under Item II of this Circular, the following conditions must be complied with by the applicant:

- a. In order for Securities Registration filings to be entitled to a discount under Item II of this Circular, the following conditions must be complied with by the applicant:
- b. Except for agri-business corporations filing for the registration of securities pursuant to SEC MC No. 8, s. 2023 (SEC FARMS), an applicant must have a paid-up capital of Twenty-Five Million Pesos (Php 25,000,000.00).

This Circular shall take effect immediately upon its publication in two (2) newspapers of general circulation.

BOC Issuance

Memo on the Reiteration of the Accreditation and Registration Requirements of all Customs Facilities and Warehouses

OCOM Memo NO. 38-2026
Issued on March 19, 2026

The issuance focuses on notifying all district collectors, sub-port collectors and others concerned regarding the requirement that all Customs Facilities and Warehouses (“CFW”) operators but are not yet registered and authorized to operate in a specific jurisdiction to register and apply for the authority to operate within 30 days from receipt of the memorandum.

Failure of the CFW operators to apply or register with the BOC will be subject to closure and suspension of their Client Profile Registration System in accordance with the applicable customs laws, rules and regulations.

FIRB Issuances

Fiscal Incentives Review Board (FIRB) Secretariat Work Arrangement

FIRM Advisory 003-2026
Issued on 10 March 2026

The issuance refers to the Memorandum Circular No. 114 s. 2026 issued by the Office of the President wherein the FIRB Secretariat shall implement the following work arrangement:

- Onsite Office Operations: Monday to Thursday
- Work-From-Home (WFH): Every Friday

The FIRB Secretariat may be contacted via email at firbsecretariat@ntrc.gov.ph including on Fridays when are on remote work arrangement. The office may also be contact via landline at (+632) 5317-6363 loc. 6652 during onsite workdays.

Clarificatory Guidelines on the Submission of Annual Tax Incentives Report (ATIR) and Annual Benefits Report (ABR)

FIRB Advisory 004-2026
Issued on 19 March 2026

Those required to submit the ATIR and ABR include all RBEs availing tax incentives **within 30 calendar days** from the statutory deadline for the filing of the tax returns and the payment of taxes. For purposes of submission requirements, **only RBEs that have actually availed of or utilized the income or non-income tax-based incentives granted in the course of their operations for the relevant taxable period shall be required to submit the ATIR and ABR Forms.**

The RBEs may submit their requirements through either of the following modes:

- Electronic ATIR and ABR Data Entry Submission
- Excel Template (FIRB Form No. 3000AS) Submission

IPAs, on the other hand, have the discretion to mandate the use of the electronic ATIR and ABR submission module, taking into account the readiness and capacity of its RBEs.

The Advisory is applied retroactively from the effectivity of the CREATE MORE Act on 11 April 2021. Illustrative scenarios on submitting ATIR and ABR requirements are provided in Annex A of the said Advisory.



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. Ganalón

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. Nelson C. Ballungay Jr.

Atty. Natasha M. Francia

Atty. Maria Eon Divina G. Penafiel

Atty. Angelo Rafael C. Reyno

Atty. Martha Elenor B. Samson

Atty. Johnica Mari A. Llorin

Atty. Karez A. Martin