



TAX TWEETS

a monthly publication of Reyes Tacandong & Co. Tax Division

Issuances/Tax Cases

BIR	10
SEC ISSUANCE	9
BOI, FIRB, PEZA	3
SC/CA/CTA Decisions	7

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 April 2026.

BOI Issuances

Approving the 2026 Strategic Investment Priority Plan

Memorandum Order No. 47

Dated 21 May 2026

This Memorandum Order establishes the 2026 Strategic Investment Priority Plan ("SIPP"). The SIPP serves as the government's primary framework for identifying priority industries eligible for fiscal incentives under the CREATE Act. SIPP guides investment promotion agencies ("IPAs") in granting incentives to approved projects aligned with national development goals.

The 2026 SIPP provides for a three-tier classification of priority activities:

- Tier I shall include activities that: (i) have high potential for job creation; (ii) take place in sectors with market failures resulting in under provision of basic goods and services; (iii) generate value creation through innovation, upgrading or moving up the value chain; (iv) provide essential support for sectors that are critical to industrial development; or (v) are emerging owing to potential comparative advantage
- Tier II shall include activities that produce supplies, parts and components, and intermediate services that are not locally produced but are critical to industrial development and import-substituting activities, including crude oil refining
- Tier III shall include activities that: (i) involve research and development resulting in demonstrably significant value-added, higher productivity, improved efficiency, breakthroughs in science and health, and high-paying jobs; (ii) generate new knowledge and intellectual property registered and/or licensed in the Philippines; (iii) involve commercialization of patents, industrial designs, copyrights and utility models owned or co-owned by an RBE; (iv) involve highly technical manufacturing;

or (v) are critical to the structural transformation of the economy and require substantial catch-up efforts, including, but not limited to cyber-security, artificial intelligence, and datacenter facilities.

LIST OF PREFERRED ACTIVITIES UNDER 2026 SIPP:

Tier I:

1. Modern Basic Needs

a. Agriculture, Fishery, Forestry

b. Manufacturing

i. Processed Agricultural, Fishery, and Forestry Products

ii. Pharmaceuticals

iii. Semiconductors and Electronics

iv. Machineries and Equipment

v. Shipbuilding

vi. Iron and Steel

vii. LNG Storage and Regasification Facility

viii. Pipeline for Oil and Gass

ix. Training/Learning Facilities, including branch campuses under the Transnational Higher Education Act

xi. Testing Laboratories/Facilities

xii. Fulfillment Centers

xiii. Education City

c. Energy

i. Exploration and/or Development of Energy Sources

ii. Cement

iii. Value Adding Manufacturing Activities

d. Halal, Kosher, and Organic Related Activities

e. Services

i. Creative Industries/Knowledge Based Industries

ii. Ship Repair

iii. Maintenance, Repair, Overhaul (MRO) of Aircraft

iv. State-of-the-art Engineering, Procurement, and Construction



f. Healthcare and Disaster Risk Reduction Management Services

g. Infrastructure and Logistics

i. Telecommunications

a. Infrastructure

b. Services

ii. Housing

iii. Ports and Terminals

iv. Air, Water, and Land Transport

a. Air Transport

b. Water Transport

c. Public Land Transport

d. Power Generation Projects

e. Energy Storage System

2. Sustainability-Driven Industries

a. Industrial and/or Hazardous Waste Treatment

b. Bulk Water Treatment and Supply

c. Wastewater Treatment

d. Environmental or Climate Change Related Projects

Tier II:

1. Defense Related Services Activities

2. Industrial Value Chain Gaps

a. IC Design

b. Desalination Plant

c. Supply/Value Chain Resiliency

i. Iron and Steel

ii. Crude Oil Refining

iii. Import Substituting Activities

d. Sustainability-Related Activities

i. Electric Vehicles (EV), Parts and Components

ii. EV Infrastructure

iii. Modern Public Land Transport

iv. Energy Efficient Vessels and Aircraft

v. Sustainable Aviation Fuel (SAF)

vi. Strategic and Critical Minerals and Green Metals

vii. Bioplastic and Biopolymers

viii. Integrated Waste management, Disposal, and Recycling

ix. Renewable Energy

e. Health Related Activities

3. Food Security Related Activities

Tier III:

1. Science, Technology, and Innovation-Related Activities

a. Research and Development

b. Commercialization of Patents, Industrial Designs, Copyrights, and Utility Models

c. Aerospace

d. Water Fabrication

e. Defense Related Manufacturing Activities

f. Hydrogen Energy

g. Nuclear Energy

h. Cybersecurity

i. Artificial Intelligence and Data Science

j. Quantum Technologies

k. Activities Adopting Industry 4.0 and 5.0 Technologies

l. Geospatial Analysis Research Hun

m. Additive Manufacturing Technologies

n. Modern Biotechnology

o. Production and/or Adoption of New Hybrid Seeds

p. Innovative Products and Services

2. Science, Technology, and Innovation Support Facilities

Export Activities:

Export activities are under Tier I unless complying with Tier II or Tier III qualification requirements.

1. Production and Manufacture of Export Products

2. Services Exports

3. Activities in Support of Exporters

a. Manufacture of parts/components and materials and supplies directly/reasonably needed in the production of the export product

b. Services rendered to II.1 and II.2 above

c. Product testing and inspection

d. Repair and maintenance

e. Integrated logistics services

f. Development and Operation of Economic Zones (ecozones) and industrial parks and Buildings for Exporters

g. Provision of telecommunications, sewerage, waste management, water, and power support to ecozones.



Activities under Special Laws:

Activities under Special Laws fall under Tier I unless complying with Tier II or Tier III qualification requirements or are classified as projects under R.A. No. 9513 and R.A. No. 12024

1. Applicable to All IPAs

- a. Publication or Printing of Books/Textbooks
- b. Rehabilitation, Self-Development, and Self-Reliance of Persons with Disability
- c. (RA No. 7277)
- d. Tourism (RA No. 9593)
- e. PPP Infrastructure or Development Projects and Services (R.A. No. 11966 or the PPP Code of the Philippines)
- f. Production of Salt (R.A No. 11985)
- g. Production, Manufacturing, Assembly, Servicing, Operation of Materiel⁹ (R.A No. 12024) (Services Activities under Tier II and Manufacturing Activities under Tier III)

2. Applicable to BOI only

- a. Industrial Tree Plantation (P.O. No. 705)
- b. Exploration, Mining, Quarrying, and Processing of Minerals (RA. No. 7942)
- c. Refining, Storage, Marketing, and Distribution of Petroleum Products (RA No. 8479)
- d. Renewable Energy (RA No. 9513)
- e. Energy Efficiency and Conservation (R.A No. 11285)

Area/Region-Specific Priority Activities:

Area/Region-Specific Priority activities are under Tier I unless complying with Tier II or Tier III qualification requirements

1. Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)
 - a. Halal Tourism
 - b. Investment Operations under R.A. No. 11439 (An Act Providing for the Regulation and Organization of Islamic Banks)

FIRB Issuances

Disseminating Revenue Memorandum Circular No. 042-2026 - Clarification on the Submission of the Certificate of Entitlement to Tax Incentives as Attachment to the Annual Income Tax Return

FIRB Advisory No. 008-2026
Dated 8 May 2026

This Advisory was issued to circulate Revenue Memorandum Circular 042-2026, which clarifies the requirement to submit the Certificate of Entitlement to Tax Incentives (CETI) as a mandatory attachment to the Annual Income Tax Return (AITR) of registered business enterprise (RBE) taxpayers.

PEZA Issuances

BIR Revenue Memorandum Circular No. 042-2026

Memorandum Circular No. 2026-032
Dated 11 May 2026

This Circular was issued to disseminate BIR Revenue Memorandum Circular (RMC) No. 042-2026, which clarifies the requirement to submit the Certificate of Entitlement to Tax Incentives (CETI) as a mandatory attachment to the Annual Income Tax Return (AITR) of registered business enterprise (RBE) taxpayers, to all concerned RBEs, all zone administrators/zone managers/officers-in-charge.

The issuance reiterates that Section 4 under Rule 8 of the Implementing Rules and Regulations of Republic Act (RA) No. 11534 (CREATE Act), as further implemented by RA No. 12066 (CREATE MORE Act), provides that **RBEs duly registered with Investment Promotion Agencies are mandated to attach the CETI to the Annual Income Tax Return (AITR) upon filing with the BIR** and that RMC No. 042-2026 of the BIR clarified that the same requirement still applies- CETI shall continue to form part of the mandatory attachments to the AITR for RBE taxpayers availing of Income Tax Incentives.

CTA Cases and BIR Issuances

COMMISSIONER OF INTERNAL REVENUE vs. NEUFTECH PHILIPPINES, INC.

(CTA EB No. 3012)
Dated 7 May 2026

The BIR must meaningfully evaluate and address a taxpayer's reply to the PAN and supporting documents before issuing the FLD/FAN and FDDA. Failure to address a taxpayer's explanations in the FLD/FAN or in the FDDA, without explaining why the taxpayer's defenses were rejected, violates due process and renders the assessment void



The BIR must meaningfully evaluate and address a taxpayer's reply to the PAN and supporting documents before issuing the FLD/FAN and FDDA. Failure to address a taxpayer's explanations in the FLD/FAN or in the FDDA, without explaining why the taxpayer's defenses were rejected, violates due process and renders the assessment void

Testimony given in this case clearly shows that the findings in the PAN were merely reiterated in the FLD/FAN and later carried over to the FDDA, with no meaningful modification except for the computation of interest. More importantly, it confirms that respondent's explanations and supporting documents were neither addressed nor reflected in the assessment notices.

Under the rules, the taxpayer is given fifteen (15) days from receipt of the PAN within which to respond and present explanations or supporting documents. When the taxpayer files a reply to the PAN disputing the proposed assessment, the BIR is expected to evaluate and consider the taxpayer's explanations before issuing the FLD/FAN. The FLD/FAN must likewise state the facts, the law, rules and regulations, or jurisprudence on which the assessment is based. Failure to comply with these requirements renders the assessment void.

A careful reading of the subject PAN and the subsequent FLD/FAN shows that the basic tax deficiency amounts stated in the PAN were merely repeated in the FLD/FAN and were again carried over to the FDDA, with only the amounts of interest being adjusted. This circumstance strongly indicates that, despite the timely submission of respondent's Reply to the PAN and its subsequent Protest to the FLD, together with supporting documents, petitioner failed to provide any response or explanation as to why respondent's arguments and defenses were not adopted or considered. Notably, such failure to address respondent's explanations was likewise repeated in the FDDA. Hence, the assessment notices merely reiterated the earlier findings without demonstrating that respondent's submissions were actually evaluated or taken into account.

To sustain the validity of an assessment issued under circumstances where the taxpayer's explanations were not even acknowledged or addressed would effectively render the PAN stage inutile and reduce the taxpayer's right to respond into a hollow exercise. This would defeat the purpose of the safeguards established under Section 228 of the Tax Code and RR No. 12-99.

BANPAK INCORPORATED, vs. COMMISSIONER OF INTERNAL REVENUE

(CTA CASE No. 11284)

Dated 8 May 2026

The three-year period to collect generally begins from the release, mailing, or sending of the assessment notice to the taxpayer. However, if an administrative protest or appeal is pending, the assessment is not yet final and executory, and collection cannot proceed because doing so would deprive the taxpayer of remedies under Section 228 of the Tax Code. Accordingly, under Section 223, the running of the three-year collection period is suspended while the CIR is prohibited from beginning distraint or levy, and for sixty (60) days thereafter.

As a rule, the 3-year period to collect begins to run on the date the assessment notice had been released, mailed or sent to the taxpayer. In this case, the FLD dated December 16, 2015 was received by petitioner on the same date. The three (3)-year period to collect the assessed taxes commenced on December 16, 2015, and ended on December 16, 2018, following the ruling of the Supreme Court in QL Development.

The Court emphasizes that Section 203 of the Tax Code, in relation to the ruling of the Supreme Court in QL Development, must be harmonized with Sections 223 and 228 of the Tax Code.

Pending appeal, the Supreme Court ruled that an assessment cannot be considered final and executory, as it will effectively deprive the taxpayer of the remedies available under Section 228 of the Tax Code. Section 223 on the other hand provides that the running of the three (3)-year period of the CIR's right to collect shall be suspended for the period during which the commissioner is prohibited from making the assessment or beginning distraint or levy or a proceeding in court and for sixty (60) days thereafter, among others.

If there is an on-going administrative protest or appeal against an assessment notice, such assessment cannot be considered final and executory, as it will effectively deprive the taxpayer of the remedies under Section 228 of the Tax Code. Consequently, no collection may proceed from a non-demandable assessment that has not yet become final and executory.

Hence, during the pendency of a protest or appeal against an assessment, the CIR or the BIR is effectively prohibited from beginning distraint or levy of a non-demandable assessment. Under this scenario, Section 223 of the Tax Code provides that the 3-year prescriptive period shall be suspended for the period during which the commissioner is prohibited from beginning distraint or levy and for sixty (60) days thereafter.



HIZON LABORATORIES, INC., vs. COMMISSIONER OF INTERNAL REVENUE

(CTA CASE No. 10318)

Dated 14 May 2026

The extraordinary 10-year assessment and five-year collection periods cannot be invoked arbitrarily and must comply with the taxpayer's right to due process. Since respondent failed to inform petitioner in the PAN, FLD/FAN, or FDDA of any finding of falsity, fraud, or failure to file a return, there was no prima facie basis to apply the extraordinary prescriptive periods.

The extraordinary period of 10 years to assess and five (5) years to collect cannot be invoked haphazardly and purely at the whim or convenience of the parties. Instead, it must be consistent with the taxpayer's fundamental right to due process.

A review of the records of the instant case would show that respondent never informed petitioner that it was invoking the extraordinary prescriptive period for assessment and collection of deficiency taxes. Nothing in the PAN, FLD/FAN, nor FDDA indicates anything to the effect that respondent found petitioner to have filed a false or fraudulent return, or failed to file a return, sufficient to warrant the application of the extraordinary prescriptive periods.

In other words, it is the prima facie evidence of falsity or fraud that shifts the burden of proof to the taxpayer, i.e., to overcome the said presumption. Without the prima facie evidence being established first, respondent's invocation of the extraordinary period to assess and collect deficiency taxes fails.

CEBU CFI COMMUNITY COOPERATIVE INC vs. COMMISSIONER OF INTERNAL REVENUE

(CTA CASE No. 11250)

Dated 15 May 2026

The case highlights the importance of the Doctrine of Exhaustion of Administrative Remedies. A Petition for Review was deemed prematurely filed after the taxpayer failed to file an appeal or seek a review before the Secretary of Finance before filing with the CTA.

The Regional Director of BIR Revenue Region No. 13- Cebu City revoked Cebu CFI Community Cooperative Inc.'s (CCCCI) Certificate of Tax Exemption (CTE) for its alleged failure to comply with the conditions stated under term 4 of the Terms and Conditions set forth in the said CTE and for non-compliance with other terms and conditions enumerated therein.

CCCCI filed a Motion for Reconsideration (MR) before the Commissioner of Internal Revenue, pending the resolution of its MR, CCCCCI filed another application for CTE for Tax Exemption for Cooperatives before BIR Revenue Region No. 13- Cebu City. However, the application was denied given that its MR is still pending before the CIR. Thereafter, CCCCCI received a letter from the CIR affirming the decision. CCCCCI filed a petition for review before the Court of Tax Appeals (CTA).

The CTA denied the petition because CCCCCI failed to exhaust the available administrative remedy. It did not file an appeal nor request for review before the Secretary of Finance; hence the petition was prematurely filed.

COMMISSIONER OF INTERNAL REVENUE vs. SONOMA SERVICES INC.

(CTA EB No. 3030)

Dated 19 May 2026

The CTA En Banc stressed that the OSG is the principal counsel of the government in appellate proceedings. A petition filed solely by BIR counsel without OSG imprimatur is defective and dismissible.

Revenue Memorandum Circular (RMC) No. 025-10 was issued and published in 2010. This is a Memorandum of Agreement executed between the OSG and the BIR where it clearly defined their respective responsibilities in the facilitation and preparation of tax cases. This categorically stated that on the matter of appeals before the CTA En Banc, the OSG deputizes BIR handling lawyers to continue the prosecution or litigation of such cases. Moreover, such RMC likewise requires the BIR to periodically submit a list of handling lawyers to be deputized by the OSG.

Given the absence of authority on the part of the BIR lawyers, the appeal was not validly instituted.

COMMISSIONER OF INTERNAL REVENUE vs. PHILIPPINE MINING SERVICE CORPORATION

(CTA EB No. 3242)

Dated 21 May 2026

The CTA En Banc reiterated the ruling of the Supreme Court in Philippine Airlines, Inc. v. Commissioner of Internal Revenue wherein it was ruled that the CTA is not limited by the evidence presented during the administrative claim, and the claimant may present new and additional evidence before the CTA to support its case for tax refund.



The CTA also reminded the CIR that the application of the strict construction principle against the taxpayer in tax refund cases is not a license to deny a claim that has been fully substantiated. In this case, the respondent has demonstrated, through competent documentary evidence, that it has satisfied all the requisites for refund under Section 112 of the National Internal Revenue Code.

COMMISSIONER OF INTERNAL REVENUE vs. FORD GROUP PHILIPPINES, INC.

(CTA EB No. 3046)

Dated 19 May 2026

The CTA allowed the application of VAT at zero percent (0%) after the taxpayer was able to show that its sales invoices contain (1) the description of the parts sold; (2) dates and destinations of delivery; (3) the acknowledgement of receipt within the special freeport zone.

Under Revenue Memorandum Circular ("RMC") No. 50-2007, the sale of cars, vehicles, or automobiles to a special Freeport Zone enterprises shall be subject to zero percent (0%) VAT provided the said vehicles or automobiles are exclusively used within the Freeport Zone.

The court ruled that the respondent satisfactorily proved that it has complied with the requirement as the sales invoices issued contain (1) the description of the parts sold; (2) dates and destinations of delivery; (3) the acknowledgement of receipt within the special freeport zone.

In the same case, the CTA also ruled that the "exclusivity rule" under RMC No. 50-2007 is inconsistent with Section 106(A)(2)(a)(5) in relation to Section 108(B)(3) of the NIRC of 1997 as amended. The subject "exclusivity rule" in the RMC issued by the CIR to qualify the tax treatment of the sale, barter, or exchange of goods or services, cannot be found in the relevant provisions of the NIRC of 1997, thus the CTA cannot sustain the alleged additional requirement.

Clarification on the Submission of the Certificate of Entitlement to Tax Incentives as Attachment to the Annual Income Tax Return

Revenue Memorandum Circular No. 42-2026

Dated 7 May 2026

Registered Business Enterprise (RBE) taxpayers availing of income tax incentives must attach the Certificate of Entitlement to Tax Incentives (CETI) to their Annual Income Tax Return.

The mandatory attachment of CETI is consistent with the implementing rules and regulations of the CREATE Act (RA No. 11534) / CREATE MORE Act (RA No. 12066). It explains that RMC No. 20-2026 did not amend, repeal, waive, or remove the CETI submission requirement, even if the CETI was not expressly included in its illustrative list of AITR attachments.

Accreditation of VAT Refund System Operators

Revenue Memorandum Circular No. 44-2026

Dated 13 May 2026

This RMC circularizes Department of Finance (DOF) Department Order No. 018-2025, entitled "Guidelines for Accreditation of Value Added Tax (VAT) Refund System Operators Pursuant to Republic Act No. 12079, otherwise known as 'An Act Creating a VAT Refund Mechanism for Non-Resident Tourists, adding a New Section 112-A to the National Internal Revenue Code of 1997, As Amended'"

Procedure and Deadline Extension on the Submission of 2025 Audited Financial Statements and Other Attachments Through the Electronic Audited Financial Statements System/Submission Facility

Revenue Memorandum Circular No. 46-2026

Dated 18 May 2026

Taxpayers who were unable to (1) submit successfully their 2025 Audited Financial Statements (AFS) and other attachments last May 15, 2026 due to eAFS system errors/issues or (2) who emailed submissions but did not receive an official acknowledgment must resubmit until May 25, 2026. The extension applies only to AFS and other attachments, not to the filing deadline of the Annual Income Tax Return itself. Taxpayers who submitted through the prescribed BIR contingency email procedure by May 15, 2026 and received an email acknowledgment are already considered compliant and need not resubmit through eAFS facility.



Prescribing Simplified and Streamlined Guidelines and Procedures in the Closure and/or Cancellation of Business Registration with the Bureau of Internal Revenue

Revenue Memorandum Circular No. 47-2026
Dated 19 May 2026

RMC No. 47-2026 streamlines and standardizes the policies and procedures governing the closure and/or cancellation of business registration with the Bureau of Internal Revenue (BIR), pursuant to existing revenue regulations and Republic Act No. 11976 (Ease of Paying Taxes Act).

The Circular applies to all taxpayers—individuals, juridical entities, estates, trusts, and government entities—who have ceased operations or otherwise qualify for deregistration, and allows filing through in-person, email, or electronic BIR systems.

The circular prescribes a simplified and limited set of documentary requirements, mandates the filing of all final or short-period tax returns up to cessation, and provides that closure processing shall proceed upon submission of complete documents and settlement of all tax liabilities. It clarifies that taxpayers who have complied with requirements will be tagged as “ceased/deregistered,” upon which penalties for non-filing will no longer accrue, while failure to formally apply for closure results in continued tax compliance obligations and exposure to penalties.

The issuance also sets timelines for processing, allows issuance of tax clearance subject to audit conditions, and takes effect immediately, directing BIR offices to ensure uniform implementation.

Announcing the Availability of the Taxpayer Portal and its Pilot Implementation to Large Taxpayers Service

Revenue Memorandum Circular No. 53-2026
Dated 26 May 2026

RMC No. 53-2026 announces the availability and pilot implementation of the Bureau of Internal Revenue’s (BIR) Taxpayer Portal, a secure digital platform designed to modernize tax administration and improve taxpayer services, initially covering taxpayers under the Large Taxpayers Service (LTS).

The Portal provides a centralized, single-view access to taxpayer information, enabling users to view registration details, monitor filed returns, track tax payments, access account ledgers, and receive automated reminders for tax compliance, thereby reducing the need for manual follow-ups and physical visits to BIR offices.

The circular establishes that enrollment is available to LTS taxpayers as part of a phased rollout intended to ensure system readiness prior to broader implementation, and directs affected taxpayers to coordinate with their respective BIR offices for assistance.

Obligation of Electronic Marketplace Operators and Digital Financial Services Providers to submit prescribed Alphabetical List of Employees/Payees

Revenue Memorandum Circular No. 55-2026
Dated 26 May 2026

RMC No. 55-2026 reiterates and enforces the obligation of withholding agents particularly electronic marketplace operators and digital financial services providers (DFSPs) to submit the prescribed Alphabetical List of Employees/Payees (Alphalist) as an integral attachment to withholding tax returns in accordance with existing regulations.

It specifies the applicable deadlines for submission based on the type of withholding tax return (monthly, quarterly, and annual), emphasizes that failure to submit the Alphalist constitutes a regulatory violation subject to penalties, and underscores that such digital platform entities, already mandated to withhold and remit taxes on transactions, must likewise comply with alphalist reporting requirements.

The circular further highlights the currently observed pattern of non-compliance among these entities and directs strict adherence through the BIR’s eSubmission facility to ensure proper tax administration and avoid sanctions.

Circularizing the Full Text of Republic Act (RA) No. 12316, “An Act Authorizing the President to Suspend or Reduce Excise Tax on Petroleum Products, amending for the Purpose Section 148 of the National Internal Revenue Code of 1997, as Amended”

Revenue Memorandum Circular (RMC) No. 56-2026
Dated 26 May 2026



RA No. 12316 was enacted on 25 March 2026, amending Section 148 of the National Internal Revenue Code (NIRC) of 1997 to grant the President the power to suspend the imposition of or reduce the excise taxes on fuel when the average

Dubai crude oil price based on the Mean Platts Singapore (MOPS) reaches or exceeds Eighty US dollars (USD 80) per barrel for one (1) month immediately preceding the issuance of the suspension or reduction order.

Suspension or reduction authorized shall be effective for a period not exceeding three (3) months, provided that the aggregate period of the suspension or reduction shall not exceed one (1) calendar year, provided further that the excise tax on fuel products shall revert automatically to the rates provided without need for further legislative or executive action, upon occurrence of the following: (1) One (1) week after the one (1) month average of Dubai crude oil price based on MOPS falls below Eighty US dollars (USD 80) per barrel duly certified by DOE; (2) after three (3) months.

The power of the President to temporarily suspend or reduce the excise tax on petroleum products shall be exercised only until 31 December 2028.

Clarification on the Inclusion of Jackpot Prizes from Casino and Other Gambling Activities Within the Statutory Definition of "Winnings" Subject to Final tax Pursuant to Sections 24(B)(1), 25(A)(1), and 25(B) of the national Internal Revenue Code of 1997, as Amended

Revenue Memorandum Circular (RMC) No. 56-2026
Dated 26 May 2026

This circular clarifies that Jackpot prizes or similar winnings derived by individuals, whether citizens or aliens, from participation in casino gaming and other gambling activities, including those from activities conducted by licensed gaming operators and, where applicable, unlicensed or unauthorized gaming operators, that fall within the scope of Section 24(B)(1) of the Tax Code, shall be subject to a final withholding tax of twenty percent (20%).

In case of non-resident aliens not engaged in trade or business within the Philippines, jackpot prizes and winnings shall be subject to final withholding tax of twenty-five percent (25%), in accordance with Section 25(B) of the Tax Code.

The tax base for computing the final withholding tax shall be the gross amount of the jackpot prize or winnings, without any deduction for service charges, administrative fees, commissions, or other similar charges.

Procedures for the Filing and Payment of Quarterly Royalty under Republic Act No. 12253, Otherwise Known as the "Enhanced Fiscal Regime for Large-Scale Metallic Mining Act"

Revenue Memorandum Circular (RMC) No. 58-2026
Dated 28 May 2026

This RMC implements procedures in relation to the Enhanced Fiscal Regime for Large-Scale Metallic Mining. All large-scale metallic mining contractors and operators are required to file quarterly returns and pay royalties pursuant to Section 151-A of the Tax Code. Returns and payment are required to be made within sixty (60) days after the close of each calendar or fiscal quarter.

When a large-scale metallic mining contractor or operator holds two (2) or more mineral agreements, financial, or technical assistance agreements (FTAAs), and/or operating agreements, the quarterly royalty return for each agreement shall be filed and paid separately. Each agreement shall be treated as a distinct ring-fenced project for purposes of determining the quarterly royalty liability.

The quarterly royalty due shall be computed in accordance with Section 151-A of the Tax Code considering (1) the gross output base, and allowable deductions and applicable royalty rate which shall differ depending on whether the mining operations are conducted within or outside mineral reservations; and (2) such other rules and requirements as may be prescribed in the implementing Revenue Regulations.

The requirement for the submission of a bond to secure the payment of the royalty shall be subject to further guidelines to be issued in a separate revenue issuance.

Updated Cost to Collect Threshold for Accounts Receivable/Delinquent Accounts (AR/DA) for Collection Enforcement Prioritization

Revenue Memorandum Order (RMO) No. 11-2026
Dated 12 May 2026

The RMO increases the threshold for Cost to Collect for Accounts Receivable/Delinquent Accounts (AR/DA) that are final, executory, and demandable from Php20,000.00 to Php80,000.00, thus forming the statutory basis for write-off of tax cases.

The order was issued to rationalize the collection enforcements efforts within the Bureau when continued collection is no longer "economically feasible."



SEC Issuances

SEC ALIGNS QUALIFIED BUYER REQUIREMENTS; INCLUDES EXEMPT SECURITIES AND CLARIFIES JOINT ACCOUNT EVALUATION

MEMORANDUM CIRCULAR NO. 15, series of 2026
Issued May 14, 2026

The SEC has aligned the requirements imposed on natural and juridical persons seeking to be considered "Qualified Buyers" under Rule 10.15 of the 2015 IRR of the SRC. Securities exempt from registration under the Securities Regulation Code, are now expressly included in determining the total portfolio of investment of Qualified Buyers. Further, for purposes of determining compliance with the financial capacity requirements, where income, portfolio investments, net worth, or gross assets are held under joint accounts or arrangements involving two or more beneficial owners or principals, whether through individual, corporate, trust, or other similar structures, the evaluation shall be governed by the applicable ownership arrangement, as stated in SEC Memorandum Circular No. 10, Series of 2018.

SUSPENSION OF THE PER MONTH OF DELAY PENALTY FOR LATE AND NON-FILING OF REPORTORIAL REQUIREMENTS UNDER SEC MEMORANDUM CIRCULAR NO. 6, SERIES OF 2024

MEMORANDUM CIRCULAR NO. 16, series of 2026
Issued May 14, 2026

The SEC temporarily suspended the imposition and enforcement of the "per month of delay" penalty under SEC MC No. 6 s 2024 for the delay and non-filing of the Audited Financial Statements and General Information Sheet. The suspension applies prospectively to all domestic and foreign corporations under the SEC's jurisdiction and is effective until December 31, 2026.

TERM LIMIT OF BROKER DIRECTORS OF AN EXCHANGE

MEMORANDUM CIRCULAR NO. 17, Series of 2026
Issued May 21, 2026

Under this Circular, broker directors are elected annually but may serve a maximum cumulative term of ten (10) years, whether consecutive or intermittent. After completing five (5) cumulative years of service, a mandatory one (1) year cooling-off period is required before eligibility for re-election.

The Circular further mandates that the Exchange should ensure that all broker directors continuously meet the prescribed qualifications and are free from disqualifications. Non-compliance with these requirements is subject to significant monetary penalties and, in cases of repeated violations, potential suspension or revocation of the Exchange's license.

Exchanges that violate the prescribed maximum cumulative term limits for broker directors are subject to significant penalties, including a ₱1,000,000 annual fine per Broker director and an additional ₱30,000 monthly continuing penalty for each month the director remains in position, without prejudice to other applicable sanctions under existing laws and regulations

FURTHER REDUCTION OF FEES AND CHARGES FOR IT-RELATED SERVICES UNDER SEC MEMORANDUM CIRCULAR NO. 6, SERIES OF 2025

MEMORANDUM CIRCULAR NO. 18, series of 2026
Issued May 22, 2026

The SEC has further reduced selected IT-related fees and charges by an additional twenty-five percent (25%), based on the rates prescribed under SEC Memorandum Circular No. 6, Series of 2025, for obtaining physical and digital copies of SEC documents. Meanwhile, the rates for SEC API services remain unchanged and in effect.

EXTENSION OF TEMPORARY USE OF 2020 FORM FOR FILING OF GENERAL INFORMATION SHEET ON EFAST UNTIL 30 JUNE 2026

Notice
Issued on May 12, 2026

The SEC extends temporary use of the 2020 GIS form via eFAST until June 30, 2026, allowing time for HARBOR implementation and support access.



AVAILABILITY OF PRO-FORMA TEMPLATES FOR APPLICATIONS UNDER THE FINANCIAL ANALYSIS AND AUDIT DEPARTMENT (FAAD) ON THE SECURITIES AND EXCHANGE COMMISSION'S (SEC) WEBSITE

Notice

Issued on May 12, 2026

The SEC's FAAD streamlined, removed, and consolidated documentary and procedural requirements to enhance efficiency and reduce redundancies for certain types of applications. The revised Citizen's Charter will be released soon, while updated proforma templates are currently accessible on the [SEC website](#) for public reference.

MAKATI TRIAL COURT DENIES INJUNCTION BID VS SEC RULE ON INDEPENDENT DIRECTORS' TERM LIMIT

Press Release

Issued on May 18, 2026

A Makati Regional Trial Court denied GMA Network, Inc.'s prayer for a writ of preliminary injunction seeking to enjoin the implementation of SEC Memorandum Circular No. 7, Series of 2026 (MC 7). MC 7 imposes a maximum cumulative term of nine (9) years for independent directors of publicly listed companies in the same company, reckoned from 2012, and provides that upon reaching the maximum cumulative term, the independent director is barred from further serving as an independent director of the same company but may still be elected as a regular director.



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:

Chrysten Gianni C. Cuyegkeng

Theo Miguel A. Ballesteros

Ian Howell P. Boquiron

Mishelle Faith Q. Pagayonan

Marie Elisabeth G. Labatos

Annette T. Getubig

Kristel Bianca M. Fernandez

Mark Laurence D. Bandiola

Claire Viernes