

TMAP TAX AND OTHER RELEVANT UPDATES

Period Covered: September 15 – October 15, 2022



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IMPORTANT UPDATES:

A. REVENUE REGULATIONS		
ISSUANCE	DATE ISSUED	SUBJECT
RR 13-2022	October 7, 2022	Income Tax Treatment of Equity-Based Compensation
B. REVENUE MEMORANDUM CIRCULARS		
ISSUANCE	DATE ISSUED	SUBJECT
RMC 131-2022	September 27, 2022	Availability of Offline Electronic Bureau of Internal Revenue Forms (eBIRForms) Package Version 7.9.3.
RMC 136-2022	October 6, 2022	Publishes the Fiscal Incentives Review Board (FIRB) Resolution No. 026-2022 - extending the 70:30 Work-From-Home (WFH) arrangement for Registered Business Enterprises (RBEs) in the Information Technology Business Process Management (IT-BPM) sector and allowing the transfer of registration of existing business enterprises in the IT-BPM to Board of Investments (BOI)
RMC 137-2022	October 14, 2022	Further clarifies the guidelines on the availment of VAT Zero Rate (0%) on Health Maintenance Organization (HMO) plans acquired by Registered Export Enterprises (REEs) and prescribing the uniform template of 'Detailed Information' thereof
C. REVENUE MEMORANDUM ORDER		
ISSUANCE	DATE ISSUED	SUBJECT
RMO 43-2022	September 29, 2022	Prescribes the policies, guidelines and procedures in the issuance and use of Notice to Issue Receipt/Invoice (NIRI) pursuant to Revenue Regulations No. 10-2019
D. SECURITIES AND EXCHANGE COMMISSION		
ISSUANCE	DATE ISSUED	SUBJECT
Notice	September 21, 2022	New SEC Contact Center Details

Notice	September 19, 2022	Review of Efast documents before they could be activated.
E. PHILIPPINE ECONOMIC ZONE AUTHORITY		
ISSUANCE	DATE ISSUED	SUBJECT
MC No. 2022-066	October 5, 2022	Circularizing FIRB Resolution No. 026-2022

DISCUSSION OF UPDATES

A. REVENUE REGULATIONS

REVENUE REGULATIONS NO. 13-2022

The Bureau of Internal Revenue on 7 October 2022 issued Revenue Regulations 13-2022 which provides guidelines on the treatment of equity-based compensation with respect to income tax. It says that the equity grants such as stock options, restricted share awards, stock appreciation rights, and restricted stock units, under the applicable equity schemes of the grantor will give rise to a realized benefit on the part of the grantee-employees. The equity grants to be awarded to the employees are for the services being rendered by the said employees. Consequently, the equity grants under the equity plans, once exercised or availed of by the grantee-employees, are considered compensation to be taxed pursuant to Section 32 of the NIRC as implemented by Revenue Regulations 2-98, as amended. This rule will be applied regardless of the status of the employees (rank-and-file, supervisory, managerial) since the Tax Code did not make any distinction for the purpose of its tax treatment.

B. REVENUE MEMORANDUM CIRCULARS

REVENUE MEMORANDUM CIRCULAR 131-2022

REVENUE MEMORANDUM CIRCULAR 131-2022 was issued on September 27, 2022 to announce the availability of Offline eBIRForms Package Version 7.9.3. The new package introduces new additional Alphanumeric Tax Codes in BIR Forms 0605 to be used by International Carriers in paying their taxes in reference to Revenue Memorandum Circular 37-2022.

The full text is available online through the BIR Website.

REVENUE MEMORANDUM CIRCULAR 136-2022

REVENUE MEMORANDUM CIRCULAR 136-2022 was issued on 14 October 2022 circularizing the resolution adopted by the Fiscal Revenue and Incentives Board (FIRB) which tackles on the following concerns of the Registered Business Entities:

- Extension of work-from-home arrangement to not exceeding thirty percent (30%) of the RBEs total workforce without adversely affecting their tax incentives, from 13 September 2022 to December 31, 2022;
- Allowing the transfer of PEZA-registered entity to transfer their registration to the Board of Investments thereby allowing them to operate on one hundred percent (100%) work-from-home scheme.

REVENUE MEMORANDUM CIRCULAR 137-2022

REVENUE MEMORANDUM CIRCULAR 137-2022 was issued on October 14, 2022 that seeks to clarify the “non-exclusive” treatment of examples listed under Q&A No. 14 of Revenue Memorandum Circular 24-2022. That so long as it is used for and could be attributed to the registered activity, they may be allowed VAT-zero rating treatment.

The Circular also discusses that HMO plans obtained by the REEs as part of the employees compensation benefit and that said employee is directly engaged in the registered activity of the REEs they can be allowed to have VAT-Zero rated on this subject to providing their suppliers with detailed information on the HMO plans acquired using the format under the Annex A of the circular. This is to ensure that only HMO expenses for qualified employees are given VAT zero rating. This Annex A shall be part of the report to be submitted by the suppliers in filling the application for VAT Zero rate.

C. REVENUE MEMORANDUM ORDER

REVENUE MEMORANDUM ORDER NO. 43-2022

REVENUE MEMORANDUM ORDER NO. 43-2022 issued on September 29, 2022 prescribes the policies, guidelines and procedures in the issuance and use of Notice to Issue Receipt/Invoice (NIRI) by the following pursuant to Revenue Regulations (RR) No. 10-2019:

- a. New Business Registrants (NBR) head office and branches by the Revenue District office (RDO) where the taxpayer is registered.
- b. Online sellers and merchants, vloggers, social media influencers, online content creators earning income from the platform and/or advertising.

"Ask for Receipt" Notice previously issued by the RDO/LT Division to registered business taxpayers based on RR No. 7-2005 shall still be valid until June 30, 2023, and it shall be replaced through staggered issuance of NIRI to the existing business registrants based on the ending digit of the Taxpayer Identification Number (TIN), to wit:

<u>TIN Ending</u>	<u>Month</u>
1 and 2	Beginning October 3, 2022
3 and 4	Beginning November 2, 2022
5 and 6	Beginning December 1, 2022
7 and 8	Beginning January 2, 2023
9 and 0	Beginning February 1, 2023

All registered business taxpayers requesting for the replacement of their old "Ask for Receipt" Notice are required to update their registration information before the release of NIRI. A designated official company email address shall be required, which shall be used by the BIR in serving its orders, notices, letters, communications, and other processes to taxpayers.

The Assistant Commissioner of Client Support Service (ACIR-CSS) shall approve the initial quantity of NIRI to be released by the Property Division based on the recommendation of the Taxpayer Service Programs and Monitoring Division (TSPMD). The Property Division shall release or ship the NIRI approved for release by the ACIRCSS to the concerned Regional/District Offices.

The Chief Administrative and Human Resource Management Division (AHRMD) of the Regional Offices may accomplish and submit to TSPMD the Requisition and Issue Slip (RIS) on behalf of the Revenue District Officers of RDOs (whether co-located or not) or the RDOs may directly submit to TSPMD the RIS for their subsequent request of NIRI. The TSPMD shall process the RIS for NIRI received from the Regional/District Offices.

D. SECURITIES AND EXCHANGE COMMISSION

NOTICE September 21, 2022

The SEC has recently released new numbers where transacting public can call. You can view the numbers through their website at this link [SEC CONTACT CENTER. EMAIL ADDRESS. HOTLINE. NUMBERS.](#)

NOTICE September 19, 2022

The Securities and Exchange Commission informed the public that it will no longer activate efast accounts until the documents submitted for such applications are reviewed by them.

MANDATORY DISCLOSURE FORM (MDF) SUBMISSION FROM SEPTEMBER 1, 2022 ONWARDS

Notice is hereby given to all Non-Stock Corporations required to submit the Mandatory Disclosure Form (MDF) pursuant to Memorandum Circular No. 25 series of 2019 that as a precautionary measure, in view of the resurgence of COVID-19 infections, and in line with the policy of the Commission to implement an electronic filing and monitoring system, the physical submission of the hard copy of the MDF shall no longer be required, effective immediately.

To those who have not yet submitted the MDF, please be informed that starting 1 September 2022 only scanned copies in PDF format of the printed and notarized MDF sent through email will be accepted.

The procedure for submitting the MDF can be accessed on the following link:

<https://www.sec.gov.ph/notices/mandatory-disclosure-form-mdf-submission-from-september-1-2022-onwards/>

For any further information, please email the AMLD at eipd-amld@sec.gov.ph or visit the SEC website at www.sec.gov.ph.

NOTICE October 11, 2022

The **Securities and Exchange Commission** recently released a Notice to the Public dated October 11, 2022, informing the public that it will receive all reports **via e-FAST** and consider them to be accurate.

In case of inaccuracy, incompleteness, or false or misleading information in the submitted reports as found by the Commission, said report shall be penalized pursuant to Section 162 of the Revised Corporation Code effective November 2, 2022.

The penalty is summarized below:

Nature of the Offense	Fine
Any person who certifies a report knowing that it contains incomplete, inaccurate, false or misleading information	Php20,000.00-200,000.00
When the wrongful certification is injurious or detrimental to the public the auditor or the responsible person may also be punished.	Php40,000.00-400,000.00

E. PHILIPPINE ECONOMIC ZONE AUTHORITY

PEZA MC NO. 2022-066

The Philippine Economic Zone Authority recently issued MC No. 2022-066 circularizing FIRB Resolution No. 026-2022 which deals on the extension of 70:30 work from home arrangement from September 13, 2022 to December 31, 2022.

It also summarizes the following as stated in the FIRB Resolution:

- a. The RBEs implementing WFH arrangement shall comply with the conditions prescribed in FIRB Resolution Nos. 19-21, 017-22 and relevant issuances
- b. Affected RBEs in the IT-BPM sector may be allowed to transfer their registration to the Board of Investments (BOI) until December 31, 2022 and adopt up to 100% WFH arrangement, provided that the monitoring of these RBEs' compliance and availment of their remaining incentives shall remain with the concerned Investment Promotion Agency (IPA) with jurisdiction on the RBE's location, in this case PEZA;
- c. The General Guidelines on the transfer of registration are the following:
 - o The RBEs in the IT-BPM sector shall signify their intention to PEZA of their intention to transfer to BOI by submitting the documentary requirements;
 - o PEZA shall endorse to BOI the RBEs that expressed their intention to transfer;
 - o Issuance by the BOI of the Certificate of Registration;

- PEZA shall monitor the compliance of the RBEs and submit report to the BOI.

As per this memorandum, PEZA is currently reviewing the prepared guidelines to implement the said resolution and will disseminate once finalized.

*****Nothing Follows*****