

CALAX Silang (Aguinaldo) set for Q3 opening

MPCALA Holdings, Inc., a unit of Metro Pacific Tollways Corp. (MPTC), said the road section connecting Aguinaldo Highway to Silang East interchange of the P35-billion Cavite-Laguna Expressway (CALAX) project is expected to open by the third quarter of the year.

"We're completing the Subsection 4, that's from Silang East to Silang (Aguinaldo)," MPCALA Holdings President and General Manager Roberto V. Bontia told *BusinessWorld* in a recent interview.

"Yan 'yung segment na that we are expecting na magkakaroon ng

malaking traffic kasi (We expect huge traffic on this segment because it will be an interchange directly coming from Aguinaldo Highway," he added.

The company holds the concession for CALAX with a 35-year concession period. The project connects Manila-Cavite Expressway (CAVITEX) and South Luzon Expressway (SLEX).

"The Subsection 4, we are expecting to complete that by the third quarter or early fourth quarter of this year. That's expected to open," Mr. Bontia noted.

The CALAX project has eight subsections: Kawit to Open Ca-

nal (subsection 1), Open Canal to Governor's Drive (subsection 2), Governor's Drive to Silang (subsection 3), Silang to Silang East (subsection 4), Silang East to Santa Rosa (subsection 5), and Santa Rosa to Mamlasan (subsections 6, 7, & 8).

Subsections 6 to 8 started operations in 2019 and CALAX Laguna segment interchanges, which are part of the subsections 6 to 8, opened the following year. These interchanges are the Laguna Boulevard Interchange and the Laguna Technopark Interchange.

"Yung Cavite portion, 'yung Subsections 1 to 3, ongoing pa

rin 'yung right-of-way acquisition (The right-of-way acquisition process for the Cavite portion is still ongoing)," Mr. Bontia said.

"But as we speak, there are about six areas where construction is already in progress."

Last year, CALAX Subsection 5, which connects Silang East to Sta. Rosa-Tagaytay Road Interchange, was inaugurated, extending the expressway's operating sections from 10 to 14.24 kilometers.

Full completion of the 45-kilometer CALAX project is expected in 2023.

According to the Department of Public Works and Highways, the project is expected to provide efficient transport facilities for the ecozones in Cavite and Laguna.

It is also seen to reduce traffic congestion, particularly in Governor's Drive, Aguinaldo Highway and Sta. Rosa-Tagaytay Road, and boost the competitiveness of Region IV-A or CALABARZON (Cavite, Laguna, Batangas, Rizal, and Quezon) as an investment destination.

Once fully operational, the project is expected to cut travel time between the CAVITEX and

SLEX to 45 minutes from the current 2.5 hours.

MPCALA Holdings is a subsidiary of Metro Pacific Tollways Corp., the tollways unit of Metro Pacific Investments Corp., which is one of three key Philippine units of Hong Kong-based First Pacific Co. Ltd., the others being Philex Mining Corp. and PLDT, Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls. — **Arjay L. Balinbin**

Alphaland Southgate's review plea vs VAT deficiency, penalty denied

THE Court of Tax Appeals (CTA) has denied real estate developer Alphaland Southgate Tower, Inc.'s petition for review of its value-added tax (VAT) deficiency amounting to P20.4 million and a compromise penalty of P50,000.

In a decision dated April 20, the CTA en banc affirmed a court division's previous ruling denying the petition for lack of jurisdiction.

"It is settled that a final demand letter from the Bureau of Internal Revenue, reiterating to the taxpayer the immediate payment of a tax deficiency assessment previously made, is tantamount to a denial of the taxpayer's request for reconsideration," according to a copy of the ruling penned by CTA Associate Justice Marian Ivy F. Reyes-Fajardo.

The court ruled that the Commissioner of Internal Revenue (CIR)'s final assessment was executory, citing the company's failure to submit documents supporting its request for reinvestigation.

The CIR ordered the petitioner to immediately pay its VAT deficiency.

"The assessment shall become final, this you (petitioner) are barred from disputing further the correctness of the issued assessment and shall therefore be required to pay the deficiency VAT attributable thereto immediately, otherwise, we shall be compelled to initiate remedies provided by law for the

collection of the said amount," the CIR said in its letter.

The petitioner is a company primarily engaged in the real estate business, which includes leasing out properties in Alphaland Southgate Tower in Makati City.

CIR, the respondent, is authorized to collect and assess internal revenue taxes, and fees, and enforce penalties related to these. Alphaland Southgate argued in its petition for review that the court in division has jurisdiction over its appeal.

It acknowledged that its protest to the CIR's final letter of demand was not filed as evidence, but maintained that the assessment should be considered void because the company's accounting clerk who received the notice was not authorized to receive it.

The petitioner stressed that it is not liable for VAT deficiency because its sales of service to a Philippine Economic Zone Authority (PEZA)-registered enterprise in the case should be subject to 0% VAT.

The country's revenue code provides that if an administrative protest is denied, in whole or in part, by the CIR's authorized representative, the taxpayer may appeal to the CTA within 30 days from the date of receipt of the decision.

The CTA full court said the company only filed its petition for review on June 5, 2017 which was beyond 30 days from receiving

the CIR's final letter of demand on May 16, 2016.

In a separate concurring opinion, CTA Associate Justice Jean Marie A. Bacorro-Vilenna said the assessment had become final, executory, and demandable even before the company received the final letter of demand.

She noted that the company also did not file an appeal with the court in division within 30 days from receiving the warrant of distraint issued on Jan. 5, 2016.

CTA Associate Rowena Modesto-San Pedro said in a separate opinion that the case should be remanded to the court in division to determine the appropriate VAT deficiency due.

"I disagree with the ponencia that taking cognizance of the present case makes the commencement of the statutory 30-day period depend solely on the will of the taxpayer and place the latter in a position to put off indefinitely and at its convenience the finality of the assessment," she said.

"Quite the contrary, it is the respondent who put off the finality of the assessment through his issuance of the final decision on disputed assessment substantially reducing the VAT deficiency assessment to P20,386,979.98 thereby revoking his earlier decision." — **John Victor D. Ordoñez**

OUTLIER

Investors cash in on ICTSI as Russia-Ukraine war, China lockdowns to weigh on operations

By Lourdes O. Pilar
Researcher

INVESTORS took profit on International Container Terminal Services, Inc. (ICTSI) last week following the risks posed by Russia's invasion of Ukraine as well as the renewed lockdowns in China to its performance this year.

Data from the Philippine Stock Exchange (PSE) showed a total of 5.08 million ICTSI shares worth P1.15 billion exchanged hands from April 18 to 22, making it the eighth most actively traded stock last week.

The share price of the Enrique K. Razon, Jr.-led port operator finished at P225.00 apiece on Friday, up by 2.1% from a week ago. The stock has increased 15.4% since the start of the year.

"ICTSI felt the impact of the war starting February of this year, but they don't have any business in Ukraine or Russia," Mercantile Securities Corp. Analyst Jeff Radley C. See said in a Viber message.

"Similar to the pandemic, the war will bring congestions in many terminals around the world," he added.

Although ICTSI does not have port operation in Ukraine or Rus-

sia, "its port operation could still be affected by trade disruptions and rising commodity prices," COL Financial Group, Inc. Research Analyst Adrian Alexander N. Yu in an e-mail.

Meanwhile, Regina Capital Development Corp. Equity Analyst Arielle Anne D. Santos said the renewed lockdowns in China placed heavyweight issues like ICTSI into the spotlight last week. — **with inputs from Bloomberg**

FULL STORY
Read the full story by scanning the QR code or by typing the link <<https://bit.ly/30YjGoo>>

Converge ICT seeks to further cut energy costs

CONVERGE ICT Solutions, Inc. is planning to further reduce its power expenses as part of sustainability efforts as it pursues growth.

"Aside from switching to clean energy, Converge is eyeing to implement a solar hybrid system to further cut down on energy costs, and exploring the viability of electric vehicle integration," the company said in an e-mailed statement.

The company has switched to 100% clean energy to run its data center in Angeles City, Pampanga.

The facility is owned and operated by Converge's parent company, ComClark Network and Technologies Corp.

The listed fiber internet service provider recently entered into a supply contract with First Gen subsidiary, Greencore Geothermal, to secure 14.4 megawatts (MW) of geothermal energy for two years (or 7.2 MW per year) until 2024 for the data center.

"The contract was availed under the government's Retail Competition and Open Access as mandated by the Electric Power Industry Reform Act of 2001 and with Greencore in compliance with the Department of Energy's Renewable Portfolio Standards," the company said.

"In 2021, Converge concluded a similar agreement with Lopez Holdings' First Gen, contracting 48 MW of geothermal energy until 2023 for

the company's headquarters in Pasig, Metro Manila which also houses a data center," it added.

Dennis Anthony H. Uy, chief executive officer and co-founder of Converge, noted that the company is progressively moving towards the use of renewable energy in its operations.

"Data centers which operate 24/7 require a lot of cooling and thus, consume a lot of energy. This is the reason why we need to ensure that our power requirement comes from renewable sources like geothermal energy so that it will have less impact on the environment," he said.

"Converge is continuously looking for ways to further reduce its carbon footprint as we have always believed that we need to protect the environment for our business to be sustainable and continue to flourish," he added.

Converge has budgeted around P26-28 billion for capital expenditures this year, up from last year's P25 billion, primarily to continue its expansion.

Its net income more than doubled to P7.16 billion in 2021 from P3.39 billion in 2020.

"Converge is on track to reach its adjusted goal of approximately 55% nationwide household coverage by 2023, two years earlier than promised during the initial public offering," the company said. — **Arjay L. Balinbin**

PAGEONE Group CEO named APAC Communications Professional of the Year

PAGEONE CEO Ron F. Jabal, APR was named Communications Professional of the Year by the 2022 Asia Pacific Stevie Awards.

This was announced by the organizers of the Asia-Pacific Stevie Awards which is the only business awards program to recognize innovation in the workplace in all 29 nations of the Asia-Pacific region. The Stevie Awards is widely considered as the world's premier business awards, conferring recognition for achievement in programs such as The International Business Awards® for 20 years.

Mr. Jabal, who also is the founder and president of the Reputation Management Association of the Philippines (RMAP), bested several other professionals in Asia Pacific in winning the Gold award for the Most Innovative Communications Professional of the Year category.

This is the latest global recognition bestowed on Mr. Jabal who was also the recipient of the Year award given in Beijing, China and the Best PR Practitioner in Southeast Asia by the ASEAN PR network given in Jakarta, Indonesia

According to APAC Stevies, more than 900 nominations from organizations across the Asia-Pacific region were considered this year in various categories. Mr. Jabal won in the innovation in communications and public relations category where several of his clients in PAGEONE also won awards.

"This award represents decades of hard work and dedication to



"This award represents decades of hard work and dedication to a lifelong learning to perfect the craft and scholarship of public relations. This is for all the probinsyanos who dare to carve a path for themselves, their families, and the communities where they belong."

a lifelong learning to perfect the craft and scholarship of public relations. This is for all the probinsyanos who dare to carve a path for themselves, their families, and the communities where they belong. This trophy is for the men and women of PAGEONE Group who, despite the challenges of the pandemic, remained steadfast in delivering excellent results to clients. This is for all our clients, partners and supporters for their continued trust and confidence. This is for my family and loved ones" Mr. Jabal stressed.

Mr. Jabal was recognized for his wide experience in managing press, editorial, advocacy, public affairs, government and stakeholder relations, marketing communications and other communications requirements of several private companies, government agencies and foreign-funded projects and programs.

Gold, Silver and Bronze Stevie Award winners were determined by the average scores of more than 100 executives around the world acting as judges in March and April. "The ninth edition of the Asia-Pacific Stevie Awards attracted many remarkable nominations," said Stevie Awards president Maggie Miller. "The organizations that won this year have demonstrated that they have continued to innovate and succeed despite the COVID-19 pandemic, and we applaud them for their perseverance and creativity. We look forward to celebrating many of this year's winners during our virtual awards ceremony on 29 June."