

Tax court affirms canceled P224-M assessment on EDS

THE Court of Tax Appeals (CTA) affirmed the cancellation of the tax assessment on EDS Manufacturing, Inc. for the fiscal year 2010 worth P223.8 million, inclusive of interest and penalties.

In a 12-page decision on April 26, the CTA en banc said the commissioner of internal revenue's (CIR) petition for review lacked merit as the revenue officers who undertook the examination of the company's accounting books lack a letter of authority, or LOA.

"To be precise, except when petitioner himself, or the BIR (Bureau of Internal Revenue) officials duly authorized by law or petitioner who conducts the examination of the taxpayer, the issuance of a valid LOA by the petitioner or his duly authorized representatives in favor of revenue officers performing assessment functions is a pre-requisite for the validity of their tax examination and assessment," according to a copy of the ruling penned by CTA Associate Justice Marian Ivy F. Reyes-Fajardo.

The court in division earlier granted the manufacturing company's appeal to nullify the assessment due to an absence of a letter of authority.

The petitioner is the CIR, who has the power to decide, cancel, and abate tax liabilities provided by the country's tax code.

The respondent is a company that manufactures and

supplies electrical wire harnesses, battery cables, and other electrical components.

The CIR argued that the court in division failed to consider the memorandum of assignments, which the official claimed established the proper authority of the revenue officers to examine the books of accounting.

The company pointed out that the CIR's reliance on the memorandum of assignments does not have merit since the documents were not identified by a competent witness. It added that these might not be a valid source to authorize revenue officers to legally audit a taxpayer.

The tax court agreed with the respondent, citing the issuance of a memorandum of assignments is not a substitute for a letter of authority.

"Specifically, it was found that the respective signatories therein, are BIR personnel devoid of authority to issue an LOA," the tax court noted, citing the signatories in the memorandum of assignments.

The court in division earlier denied the admission of the memorandum since the pieces of evidence were substantiated by a competent witness.

"Petitioner failed to make an offer of proof or tender of excluded evidence for such denied documentary exhibits," the CTA full court said. — **John Victor D. Ordoñez**

DTI: SpaceX eyes launch of gateway within Duterte term

SPACE Exploration Technologies Corp. (SpaceX) led by billionaire Elon Musk is eyeing to launch the first gateway for its satellites in the Philippines before the term of President Rodrigo R. Duterte ends in June, according to the Department of Trade and Industry (DTI).

"SpaceX is setting up a business entity that will provide internet service through low earth orbit (LEO) satellites and is targeting to launch the first gateway for their satellites before the end of the term of President Duterte," the DTI said in a statement on Sunday.

The gateway, or a ground station, is the facility that supplies

the internet service as it connects to the LEO satellite internet constellation, called Starlink, which is operated by SpaceX.

SpaceX Government Affairs Senior Manager Rebecca Hunter said during a meeting with the DTI on April 20 that the company had started the process of registering and securing permits from relevant government agencies.

According to the DTI, the planned entry of SpaceX into the country was accelerated following the passage of amendments to the Public Service Act (PSA).

Trade Secretary Ramon M. Lopez said the law paved the way for

SpaceX's registration as a 100% foreign-owned business.

Under the amended PSA, the restrictions on full foreign ownership of businesses in key sectors such as telecommunications, shipping, airlines, railways, and subways were eased.

Previously, these sectors were covered by the 40% foreign equity ownership cap implemented by the 1987 Constitution.

Recently, the Authority of the Freeport Area of Bataan announced that SpaceX might establish its base of operations for Starlink in the province after a series of meetings with company officials.

In March, the DTI said it was eyeing to finish the entry of SpaceX in the country "as soon as possible," adding that the Philippines will be the first location of the company in Southeast Asia.

The company first met with Philippine government officials in April 2021 to discuss investment plans.

Since then, SpaceX has been closely coordinating with the Board of Investments, Philippine Trade and Investment Center in New York, and other related government agencies for the necessary permits and certificates. — **Revin Mikhael D. Ochave**

Elon Musk fans solicit Twitter jobs by tweeting at him

ALTHOUGH Elon Musk's \$44-billion deal to acquire Twitter, Inc. is still months away from closing, some of Mr. Musk's fans are soliciting future employment at the social media platform via the mercurial entrepreneur's Twitter feed.

Considerable turnover is likely, at least based on Mr. Musk's twitter feed, which is often critical of leadership. So his followers are taking their shot.

"Hire me to run Twitter as VP of Product," wrote Nikita Bier, co-founder of a positivity-focused polling app called tbh that was acquired by Meta Platforms, Inc., in a post tagging Mr. Musk on Twitter. "I've been building social apps for 11 years — and not in a way that leads products to decay like a typical Big Tech 'product director dad.'"

During negotiations to acquire Twitter, Mr. Musk told bankers that he would be focused on the social media company's bottom line, and floated nonspecific proposals to cut both costs and jobs, according to people familiar with the matter.

It's unclear how Mr. Musk envisions his leadership team — especially the chief executive officer role. The billionaire is unlikely to take the job himself, which

means he'll need to find a thick-skinned executive who can handle Mr. Musk's penchant for airing his displeasure in public.

In a regulatory filing, Mr. Musk said he does not have faith in the company's leadership, leading many to speculate that Twitter's CEO, Parag Agrawal, is on his way out the door. And on Wednesday, Mr. Musk posted two tweets that were critical of Vijaya Gadda, the executive who oversees the policy and legal teams, for a decision the company made in 2020 to restrict posting of a New York Post article about US President Joseph R. Biden, Jr.'s son, Hunter. A wave of trolls proceeded to wage personal attacks against Ms. Gadda online, prompting former Twitter CEO Dick Costolo to accuse Mr. Musk of bullying.

For all the conflict that Mr. Musk seems adept at stirring, he's also maintained an ardent fan base who believe that the Tesla, Inc. CEO has made profound contributions to the clean energy, digital payments and space exploration sectors. Some took the same public leap as Mr. Bier.

Antonio Garcia Martinez, the author of the tech insider tell-all "Chaos Monkeys: Obscene Fortune and Random Failure in Silicon Valley," nominated himself for a job at Twitter and even listed a brief resume fit for the platform's 280-character tweet limit.

Even William Shatner, the actor best known for his role as Captain James T. Kirk of the USS Enterprise in the Star Trek franchise, is vying for a job as "the face of Twitter." He's got experience; Mr. Shatner was paid in equity to be the spokesperson for Priceline.com in the early 2000s, and reportedly missed out on millions in gains by selling his stake too early.

Conservatives and libertarians, who have argued that social media platforms disproportionately suppress right-wing speech, have applauded Mr. Musk's Twitter takeover, particularly his vows to loosen content moderation restrictions. Now, a number of conservatives are jokingly soliciting job offers at the social media company. — **Bloomberg**

FULL STORY



Read the full story by scanning the QR code with your smartphone or by typing the link https://bit.ly/3kw30Jc

Security Bank strengthens its BetterBanking commitment to stakeholders, holds 2022 Economic Forum

As part of its commitment to provide stakeholders with avenues for discourse to enable decision-making, Security Bank held its 2022 Economic Forum on April 28, 2022. Key economists and political analysis experts discussed the effects of the current political landscape and ongoing conflicts on the country's economy.

Titled "Economic trends, the political environment, and the impact on the business community," the event was headlined by Akihiko Sato, Chief Economist & Managing Director and Head of Economic Research office at MUFG Bank Ltd.; Dr. Cielito Habito, Chair, Brain Trust, Inc. and a professor at Ateneo de Manila University; and Prof. Victor Andres Manhit, Founder and Managing Director of the Stratbase Group.

A LOOK AT GLOBAL TRENDS

Akihiko Sato discussed the impact of the Russia-Ukraine war and COVID-19 lockdowns in China on the global economy, the ASEAN region, and the Philippines.

"Inflation rates across many countries will continue to be elevated, thus prompting a cycle of monetary tightening by central banks. Constraints related to supply chains will also worsen in light of sanctions related to the Russia-Ukraine conflict and the lockdowns China instituted to prevent the spread of COVID-19," he said.

He also presented data on how the war between the two neighboring countries has affected not only the economy, but also the world's global supply chain, which has heavily contributed to the increase of oil prices and other commodities.

"One factor that contributes highly to this disruption is China's zero COVID policy, the lockdowns have contributed greatly to port congestion and production delays, if this continues, we will also see continued disruption on the global supply chain," said Mr. Sato.

"Many ports in the east coast of China rank in [the] top 10 globally, so the disruption of the Chinese economy, directly affects the global economy through logistics disruptions. And as for the Ukraine conflict, there are many commodities where Russia has [a] big presence and the war and economic sanctions will no doubt affect global supply chains [negatively]."

Additionally, Mr. Sato noted that in the coming years, the changes to social structures created by the pandemic and the new geopolitical realities in Asia and Europe could become dominant trends.

FROM GLOBAL TO LOCAL

Meanwhile, Dr. Cielito Habito shared his outlook on the Philippine economy amidst the fallout from the COVID-19 aftermath and the Russia-Ukraine conflict.

"We are seeing a shift in where workers are looking for jobs as there has been an



Key experts in global and local economics and political analysis shared their outlook for 2022 in the Security Bank Economic Forum, which was moderated by the Bank's chief economist, Robert Dan Roces.

increase in workers in the farming, fishing, and trading sectors, and an exodus from industry and Feed the Future sectors," said Dr. Habito.

He adds, "There has also been an increase in the size of the informal sector — which could lead to lower tax revenues for the government — and more people are opting to work at part-time jobs and fewer are working in full-time jobs."

Despite this, Dr. Habito noted two positive streams that could help bring the economy back on its feet: agricultural and digital/technology sectors. "Agricultural production has been prevalent across all regions, and the sector has been the biggest provider of jobs for Filipinos. Meanwhile, the digital economy has introduced disruption in the form of improvements in operational processes. We have also seen new products in the market, such as those offered by financial technological companies, which benefit consumers," said Dr. Habito.

A VIEW INTO THE POLITICAL LANDSCAPE

With the 2022 elections less than two weeks away, Prof. Victor Andres C. Manhit discussed the dynamics of the 2022 national election campaigns, the profile of the Filipino voter, considerations in selecting a presidential candidate, and how social media has changed the way campaigns work.

He highlighted how the economy in the next six months will be determined based on who wins and who will sit on the Cabinet, citing that once the elected president gives their first State of the Nation Address, the economy will move based on the statements made.

"Controlling inflation rate, ensuring higher pay for workers, creating jobs, and reducing poverty are the biggest issues that voters want to be addressed. For

example, surveys have shown that 58% of respondents want the government to bring the rise of prices in check, while 4 out of 10 respondents see a higher take-home pay as an urgent priority," Mr. Manhit added.

With more than 65.7 million eligible Filipino voters in the 2022 elections, Mr. Manhit sees an opportunity for a positive turnout, with more than 44% of registered voters being first-time voters and have taken their campaigning to social media.

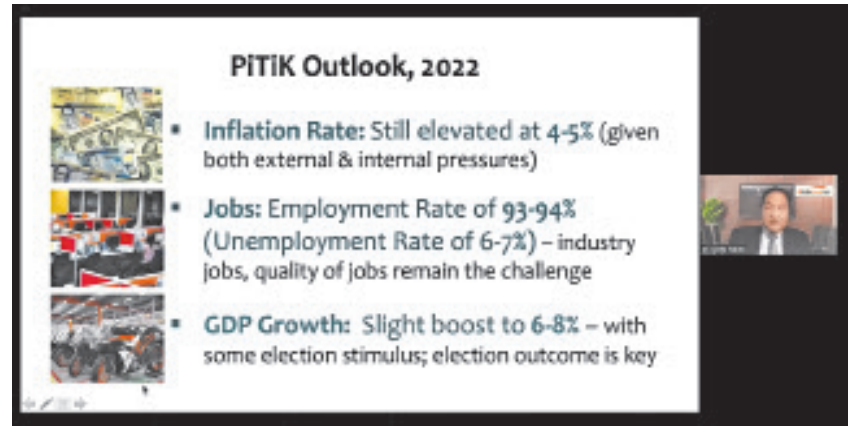
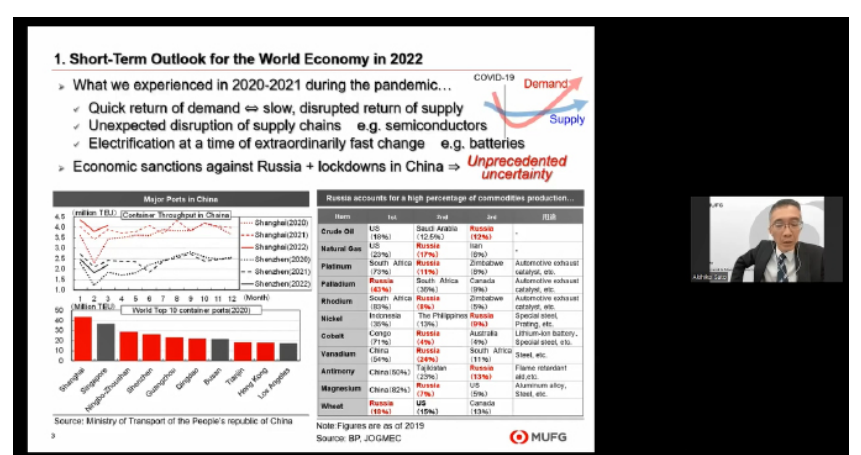
"Social media is shaping the discourse; mainstream media is catching up. If the presidency is shaped by what is happening on social media, then imagine what governance would be and that for me is the great challenge," Mr. Manhit added.

GENERATING DISCOURSE TO FOSTER BETTER BANKING

Each year, Security Bank organizes a "by-invitation only" economic forum to support its vision to become the most customer-centric bank in the Philippines — investing in its customers and in what matters most to them. Through this event, the Bank provides valuable information to arm business leaders and guide them in making sound business and financial decisions.

When the economic forum celebrated its tenth year in 2018, the Bank held its first regional economic roadshow where stakeholders from key business hubs in the country were able to hear from industry leaders firsthand. In the midst of the pandemic in 2020, the yearly event pivoted from a physical forum to an online event.

"As we keep a watchful eye on developments on the global [and local] stage, we remain very focused on helping our clients meet their goals for 2022. We look forward to continued collaboration with our partners as we all contribute to economic recovery," said Sanjiv Vohra, Security Bank President and CEO.



Ferdinand "Bongbong" Marcos Jr.	María Leonor "Lent" Robredo	Francisco "Isko Moreno" Domagosa
<ul style="list-style-type: none"> Provide job generation in three areas: MSMEs, agriculture, and tourism. Accelerate industrialization to create more jobs. Create economic recovery by increasing public investments, Public-Private Partnerships, and setting up sectors. Improve digital infrastructure and internet connectivity. Strengthen the agriculture sector as the pandemic showed that issues in food supply are due to over-reliance on imports. Increase support for the public school system by supporting teachers and improving education facilities and supplies. Ensure energy supply by creating more power plants and expanding geothermal and hydroelectric plants. Develop a comprehensive internet-based disaster risk information roadmap to address the effects of natural disasters. Create the Department of Disaster Resilience. Promote reforestation and a stricter anti-Illegal Logging Law. 	<ul style="list-style-type: none"> Provide a PHP 500 billion stimulus package for MSMEs. Address budget through Public-Private Partnerships, community kitchens, and local agricultural production. Revive people's trust in government to encourage more private investments and create jobs. Introduce a full disclosure policy across the government. Expand the Public Employment Program and Unemployment Insurance Program for those who lost their jobs. Increase the maritime industry's contribution to the economy by improving the country's ports and harbors. Institutionalize feeding programs in schools. Increase the national budget for health and education. Allocate public funds for active transport. Strengthen climate resilience. Appoint Cabinet members based on expertise, merit, qualifications, and not political favors. 	<ul style="list-style-type: none"> Provide projects and policies for housing, education, labor and employment, health, and tourism among others. Upgrade health facilities and regional hospitals. Continue the Build, Build, Build program, focusing on roads, schools, hospitals, and post-harvest facilities, among others. Accelerate infrastructure development in Mindanao. Expand Public-Private Partnerships. Support the revival of steel manufacturing plants in the country. Use of digital transactions and technology to reduce corruption in government transactions. Lower taxes on oil and electricity to attract foreign investors. Subsidize fertilizers and impose a moratorium on land conversion. Provide farmers with capital and credit assistance.