

DoTr's Bautista pitches transport investments to Swiss companies

TRANSPORTATION Secretary Jaime J. Bautista invited Swiss to invest in Philippine transport infrastructure projects via public-private partnerships (PPP), his department said in a statement on Wednesday.

"Speaking at the Swiss Innovation Exhibit that marked 65 years of Philippine-Swiss relations at Hyatt Hotel on

Oct. 25, Sec. Bautista wants to fast-track the completion of big-ticket transport projects with private-sector participation," the Department of Transportation (DoTr) said.

"We plan to invite as much private sector participation in our infrastructure projects, such as the privatization of the EDSA Carousel, the operation of

our seaports, the privatization of 10 provincial airports, the Cebu Bus Rapid Transit project and many more," Mr. Bautista said.

He said that the revised implementing rules and regulations (IRR) of the Build-Operate-Transfer Law ensure that PPP projects will not be disadvantageous to Filipinos "by providing a

balanced sharing of risks between government and the private sector project proponents while allowing reasonable rates of return on investments, incentives, support and undertakings."

The IRR, published on Sept. 27, sought to address concerns over the financial viability and bankability of PPP projects while clarifying ambiguous pro-

visions that might have caused delays in the PPP process.

In particular, the definition of the Material Adverse Government Action clause was revised to cover all government actions, not just the Executive branch.

The IRR was amended in response to concerns that the previous version of

the rules compels private proponents to shoulder more risk while relieving the government of responsibility for delayed deliverables.

Finance Secretary Benjamin E. Diokno has said the new rules will be critical to unlocking the benefits of PPP, as well as "reap higher multiplier effects for the economy." — **Arjay L. Balinbin**

AiIB to dedicate 50% of loans to climate change projects

THE Asian Infrastructure Investment Bank (AIIB) said it will reserve at least 50% of its loan portfolio to climate change mitigation projects by 2025.

"We focus on 50% and upwards for financing of climate change adaptation and mitigation by 2025. This is the most important part given the urgency of climate change. Times have now changed. We need to be nimble and (anticipate) the emerging energy crisis. Many countries are vulnerable, experiencing acute macroeconomic distress," AIIB President Jin Liqun said in a virtual briefing on Wednesday.

"We are going to help countries reduce their emissions so they can reach their net zero goal as early as possible. Our focus has very much remained on the most important challenges faced by society," he added.

Beijing-based AIIB is building an operating hub in Abu Dhabi, its first overseas office.

"Global problems require global solutions. With a portfolio of 191 projects in over 30 countries, our rapid growth is the catalyst for opening an office that brings our bank closer to the front lines. The AIIB hub provides proximity to global financial centers," Mr. Jin said.

"The first hub would help us gain experience and inform decision-making in the future. Future hubs would have to be decided by experience and needs of our clients. The hub can help reach out to the private sector and we are also working very hard to mobilize private sector investors by participating in capital markets in many countries," he added.

Mr. Jin said the bank is working to accelerate the financing of infrastructure projects in the wake of the pandemic.

"The pandemic has (hindered the ability of) countries to finance infrastructure projects. Because

of travel restrictions around the world, it will take longer for our people to visit the project sites," he added.

"Our bank is working hard to accelerate the process because we understand (the need for) timely support for countries in distress... Our financing for those countries, particularly to meet urgent needs, would be fully incorporated for our support for climate financing. The projects we financed were not just to relieve the country of momentary pressure and difficulty. We aim for long term solutions," he added. — **Luisa Maria Jacinta C. Jocsnon**



Coconut products proposed as quick fix for stalled exports

THE Department of Trade and Industry (DTI) said it views coconut products as a potential source of export growth, following a decline in the value of merchandise exports in August.

compared to three time periods: 2021, 2020, and the pre-pandemic average from 2017 to 2019," it added.

According to Mr. Pascual, "Under the Coconut Farmers and Industry Development Plan (CFIDP), the DTI has been assisting coconut farmer enterprises in entering/growing their presence in global markets through the implementation of extensive market research and strategies for the promotion of coconut products."

Trade Secretary Alfredo E. Pascual said demand for coconut products is expected to expand in foreign markets, given proper marketing.

"We are confident that with the right marketing strategy, coconut products will gain more traction in international markets, especially as more markets discover the numerous health benefits of coconut products, particularly coconut oil," Mr. Pascual said in a statement on Wednesday.

The Philippine Statistics Authority (PSA), citing preliminary data, estimated that merchandise exports fell 2% year on year by value to \$6.410 billion in August.

The DTI said on a year-to-date basis, export sales rose 4.4% to \$51.2 billion. Citing PSA data, it said growth was driven by demand for coconut oil, chemicals, other mineral products, other manufactured products, and electronic products.

"Coconut oil ranked as the fastest-growing commodity group, recording 96.2% year-to-date growth with cumulative export sales reaching \$1.6 billion. Export earnings from coconut oil in August 2022 also increased to \$168.2 million or 26.6% (from a year earlier)," the DTI said.

"Overall, coconut oil exports have consistently been increasing

at double-digit growth rates compared to three time periods: 2021, 2020, and the pre-pandemic average from 2017 to 2019," it added.

"(The) DTI has been showcasing Philippine coconut exports in the recently concluded International Food Exhibition in Pasay, Selangor International Expo in Kuala Lumpur, and the Salon International de L'Alimentation in Paris. Based on the International Trade Centre's Export Potential Assessment, the Philippines has the potential to expand its exports of coconut products to \$2.1 billion," the DTI said.

"In terms of export markets, the US accounted for \$1.1 billion or 16.3% of the Philippines' total exports, followed by Japan at \$931.4 million (14.5%), China \$839.2 million (13.1%), Hong Kong \$729.3 million (11.4%), and Singapore \$433.9 million (6.8%)," the DTI said. — **Revin Mikhael D. Ochave**

at double-digit growth rates compared to three time periods: 2021, 2020, and the pre-pandemic average from 2017 to 2019," it added.

Senate bill proposes agriculture database focused on improving market intelligence

A SENATE BILL is seeking to consolidate and integrate all agricultural databases to improve market intelligence on where produce is in demand, thereby strengthening the farm-to-consumer value chain, including to global markets.

"The government needs to provide the infrastructure and the mechanism that would enable our farmers to sell their output where there is demand," Senator Sherwin T. Gatchalian, the bill's author, said in a statement on Wednesday.

"Our vision is to help our farmers find their markets as this is key in reducing poverty," he added.

Senate Bill 1374, filed on Oct. 10, proposes the creation of an agriculture information system (AIS) in every city and municipality to help build a better supply-demand picture for agricultural produce.

All cities and municipalities must encourage and facilitate the free registration of all farmers, fisherfolk, as well as produce buyers.

The online database hopes to better match buyers and sellers by, among other things, providing village-level data on farm output.

"We hope that through the establishment of AIS, the livelihood of our farmers will improve and help solve the problem of hunger," Mr. Gatchalian said.

Funding for the program will be partly borne by the National Government, with local government units also expected to establish the AIS in their respective budgets. — **Alyssa Nicole O. Tan**

Seven-month registered births and deaths in Philippines fall

REGISTERED births and deaths declined 25.2% and 32.6% year on year, respectively in the seven months to July, the Philippine Statistics Authority (PSA) said on Wednesday.

Deaths in which COVID-19 had not been identified amounted to 3,497 cases.

According to its Vital Statistics Report, recorded births in the seven months totaled 545,255, while deaths fell to 311,921.

Metro Manila recorded the most deaths due to COVID-19 with 2,986 or 24.7% of the total.

Calabarzon (Cavite, Laguna, Batangas, Rizal, Quezon) was the leading region for both births (81,439) and deaths (46,868). As a proportion of the national totals, Calabarzon births accounted for 14.9% of all births and 15% of deaths.

This was followed by Calabarzon with 1,856 (15.4%), and Central Luzon with 1,573 (13%).

The National Capital Region had 66,398 births during the period, or 12.2% of the total, posting a year-on-year decline of 22.4%. The capital reported 37,910 deaths, or 12.2% of the total.

Meanwhile, the Bangsamoro Autonomous Region in Muslim Mindanao logged the least COVID-19 deaths with 32 cases during the period.

In a separate statement, the PSA said ischaemic heart diseases, cerebrovascular disease, and neoplasms were the leading causes of death in the first seven months.

The Vital Statistics report also found that registered marriages rose 4.2% year on year in the first seven months to 221,848.

Deaths due to ischaemic heart diseases during the period amounted to 57,899 or 18.6% of all deaths while cerebrovascular diseases totaled 32,354 or 10.4% of the national tally.

Calabarzon posted the most marriages with 32,146 or 14.5% of the national total, while Metro Manila registered 27,097, or 12.2%.

Neoplasms (31,487) accounted for 10.1% share of the total.

According to the PSA, its COVID-19 death tally was based on death certificates lodged with health officers at the various local government units.

Deaths associated with COVID-19 totaled 12,083 in the seven months to July, or 3.9% of all registered deaths.

This tally differs from the one maintained by the Department of Health, which is based on a surveillance system which counts only confirmed cases.

The COVID-19-associated deaths included 8,586 cases or 2.8% of the total in

which the virus had been identified at the time of death, making the disease the 10th leading cause of death during the period.

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The Vital Statistics report was compiled from tallies generated by city or municipal Civil Registrars, consolidated by the PSA's Provincial Statistical Offices, and then submitted to the Office of the Civil Registrar General.

— **Abigail Marie P. Yraola**

JOB HIRING!

3 Beauty Consultant

- College Graduate / 2 years' experience in handling Korean clients
- Able to read, write and speak (KOREAN, CHINESE & ENGLISH)
- Expertise in cosmetics and skincare products

2 Marketing Consultant

- At least 1yr experience in handling Korean Clients
- Able to read, write and speak (KOREAN, CHINESE & ENGLISH)
- Expertise in cosmetics and skincare products

5 Salon Assistant

- High School graduates are most welcome
- Able to speak and understand English for Korean customers
- at least 1yr experience in salon

HR SWANLYN BEAUTY CORPORATION
122 - B, Aguirre Avenue, B.F. Homes Paranaque City,
Contact +63 966 893 5983 Email: bellalee@naver.com
Look for: Ms. Marjorie
(Please call for an appointment to set an interview)

JOB HIRING!

5 Technical Support Specialist

1 Marketing Manager for Foreign Market

5 Marketing Assistant

- College Graduate
- At least 1 year experience
- Able to read, write and speak (KOREAN & ENGLISH)
- Advance working knowledge in graphic design, spreadsheets, troubleshooting

3 Front Sales Representative

- High School graduates are welcome
- At least 1yr experience as Sales agent or equivalent
- Strong passion for selling and ability to communicate well

FOUR STEP REPENTANCE SYSTEM CORP.
42 5TH STREET, MARIANA, QUEZON CITY
Contact #: 0977.774.6937 Email: fsrsystemcorp@gmail.com
Look for: Ms. Ezra

JOB HIRING!

5 Customer Service Representatives

1 Marketing Manager (Foreign Market)

- College Graduate
- At least 1 year experience
- Able to read, write and speak (KOREAN & ENGLISH)
- Advance working knowledge in graphic design, spreadsheets, troubleshooting

5 Front Sales Representative

- High School graduates are welcome
- At least 1yr experience as Sales agent or equivalent
- Strong passion for selling and ability to communicate well

LS ONE CORPORATION
Lot 2680 Armaido Highway, Brig., San Francisco,
General Trias City, Cavite
Contact #: 09264418785 • Email: lsonecorporation@yahoo.com
Look for: Allana Mariz Espiritu

OPINION

The tax treatment of equity-based compensation

With just a couple of months before the end of the year, most employers have started planning for the year-end annualization of their employees' income. The purpose of the annualization is to determine the annual income tax due based on the total compensation earned by the employee, including those from previous employer/s. One of the things that employers review during the annualization is the tax treatment of compensation income, which may be paid in money or in any medium other than cash, such as shares of stock, bonds, or other forms of property.

On Oct. 7, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 13-2022 to lay down more definitive guidelines, procedures and requirements for the income tax treatment of equity-based compensation of any kind.

As defined in the regulations, equity-based compensation covers all types of employee equity schemes such as stock options, restricted stock units, stock appreciation rights, and restricted share awards, and which may or may not pertain to the shares of stock of the grantor itself. They are granted to employees of the grantor as an incentive for services rendered and are typically dependent on performance, outstanding business achievements, and exemplary organizational, technical or business accomplishments.

According to RR No. 13-2022, the equity grants under the applicable equity schemes of the grantor will give rise to a realized benefit on the part of the grantee-employees. Moreover, once exercised or availed of by the grantee-employees, such equity grants are considered compensation to be taxed as such under Section 32 of the National Internal Revenue Code (NIRC) of 1997 and implemented by RR No. 2-98 (otherwise

known as the Withholding Tax Regulations). This withholding tax treatment applies regardless of the employment status of the grantee-employee, who could either be rank-and-file or occupying a supervisory or managerial position because Section 32 of the NIRC and all applicable issuances do not make a distinction for purposes of taxing compensation, including equity-based compensation.

Before RR No. 13-2022, such equity awards were subject to two possible tax treatments, depending on the recipient. If the recipient was a rank-and-file employee, equity awards were subject to Withholding Tax on Compensation (WTC). However, equity awards were subject to Fringe Benefit Tax (FBT) if the recipient was a managerial or supervisory employee pursuant to Revenue Memorandum Circular (RMC) No. 79-2014.

As stated in RR No. 13-2022, any provision of RMC No. 79-2014, any regulations, rulings, orders and circulars or portions thereof which are inconsistent with the provisions of the more recent Regulations are revoked, repealed or amended accordingly. All matters and other tax treatments that are consistent with the pronouncements made in the recent Regulations, on the other hand, are maintained and/or adopted accordingly.

The RR will take effect on Oct. 29, or 15 days after its publication. It is possible there have been equity grants that vested and were exercised by employees between Oct. 1 and 29 (prior to the effectivity of the regulation), and there may be a concern from taxpayers whether this income is still subject to FBT or if WTC shall apply.

Another concern is the impact of this new RR on employees. In particular, for those holding supervisory or

managerial positions, this may result in lower take home pay because they will now be shouldering the tax related to this equity-based income, unlike FBT which is borne by the employer. It may significantly impact the cash flow of employees as they will receive a lower amount as compared with the salary package that they agreed to. Thus, employers may need to take into account whether they will continue to shoulder the tax.

It is also important to note, however, that before RMC No. 79-2014, regardless of employment status, all equity awards were subject to WTC.

As the year draws to a close, I hope that the BIR will clarify whether the employer should begin reporting equity awards in October or November as income subject to WTC. By doing so, it will reduce the worries on the part of employers as to their duty as withholding agents. It will also give ample time to employers to manage expectations and properly communicate the new tax treatment of equity-based compensation and its impact on employees' after-tax pay.

The views or opinions expressed in this article are solely those of the author and do not necessarily represent those of Isla Lipana & Co. The content is for general information purposes only and should not be used as a substitute for specific advice.

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