

BoC collections top P80B in March following digitalization

THE Bureau of Customs (BoC) said on Monday it collected a record P80.133 billion in March, which it attributed to greater efficiencies realized with digitalization.

In a statement, it said it exceeded the monthly collection target by 10.86%.

In the first three months of 2023, the BoC collected P213.619

billion, surpassing its revenue target by 8.43%.

Customs Commissioner Bienvenido Y. Rubio said the strong performance was due to the bureau's five-point program focused on digitalizing and simplifying processes, addressing smuggling, and empowering employees.

"This achievement is a testament to our collective effort to

improve our revenue collection and promote good governance," Mr. Rubio said in a statement.

According to the BoC, collections in the first three months exceeded the year-earlier tally by 13.3%.

Mr. Rubio said the first quarter result is an encouraging sign for the state of the broader economy.

"The BoC's consistent improved performance bodes well

for the government's revenue targets and commitment to promoting economic growth and development," he said.

The agency hopes to collect P901.3 billion this year. This includes P570.3 billion in value-added tax from imports, P207.4 billion in excise tax, P105.1 billion in import duty, and P18.5 billion in other fees. — **Keisha B. Ta-asan**



ERC announces caps for grid market share, generating capacity

THE Energy Regulatory Commission (ERC) said it set the new caps for installed generating capacity (IGC) and market share limits for the main grids in 2023.

"The ERC is mindful of its role in promoting market competition, encouraging market development, and in discouraging/penalizing abuse of market power and any anti-competitive behavior in order to ensure a level playing field particularly in the generation sector. The IGC serves as our baseline in determining the existence of a breach in the market share limit of any market participant," ERC Chairperson and Chief Executive Officer Monalisa C. Dimalanta said in a statement on Monday.

The ERC set the national upper limit on installed generating capacity at 25.47 million kilowatts (kW), up from 23.42 million kW previously.

For Luzon the allotted installed generating capacity for 2023 is 17.79 million kW; the Visayas 3.46 million kW; and Mindanao 4.22 million kW.

IGC is the maximum capacity of the generation facilities connected to a transmission system or distribution system, which are part of a particular grid.

The ERC sets IGC caps annually.

The market share limits for the Luzon, Visayas and Mindanao grids are 30% each, with the cap for power companies connected to the national grid at 25%.

Republic Act No. 9136 or the Electric Power Industry Reform Act of 2001 requires that no company or related group can own, operate or control more than 30% of the IGC of a grid and 25% of the national IGC. — **Ashley Erika O. Jose**

Intellectual property filings at record 48,259 in 2022

INTELLECTUAL PROPERTY filings in 2022 hit a record 48,259 in 2022, driven by the economic recovery, the Intellectual Property Office of the Philippines (IPOP) said.

IPOP Director General Rowel S. Barba said at a briefing in Taguig City on Monday that the previous record was 47,328 set in 2019, before the pandemic. Gross domestic product growth was 7.6% in 2022, accelerating from 5.7% in 2021.

"The strong uptick in 2022 IP filings shows how aggressive businesses are in seizing opportunities in the more upbeat economy and the digitalization of business interactions as intensified by the pandemic," Mr. Barba said.

In 2022, Mr. Barba said trademark applications accounted for 41,235 filings, up 4%.

Pharmaceutical, health and cosmetic products led all trademark applications with an 18.4% share, followed by agricultural products and services (16.6%), and scientific research, information and communication technology (14.9%).

Mr. Barba said that patent applications increased 9.3% to 4,403 in 2022.

The leading patent applications were in pharmaceuticals at 28.9%, followed by organic fine chemistry (12.1%), and digital communications (8.3%).

Utility model (UM) filings, which are a patent-like IP right to protect innovations, dropped to 1,615 in 2022 from 1,615 in 2021. The top UM filings were in food chemistry, which accounted for 44.6% of the total, followed by other special machines (8.8%), and basic materials chemistry (4.9%).

He added that applications to protect industrial design (ID) — which seek to register the three-dimensional look of a product — fell to 1,235 in 2022 compared to 1,265 in 2021. The leading industries for ID filings were means of transport or hoisting at 19.7%, packages and containers for the transport or handling of goods (8.7%), and furnishing (8.3%).

Copyright registrations rose 73% to 3,706 in 2022 as more creators sought to protect their copyright in online and physical markets.

The top registrations were generated by books, pamphlets, articles, e-books, audio books, comics, novels and other writings (36%); literary, scholarly, scientific and artistic works (19.7%); and drawings, paintings, architectural works, sculpture, engraving, prints, lithography or other works of art, models or designs for works of art (8.6%). — **Revin Mikhael D. Ochave**

Gulfood trade show generates over \$50M in sales for PHL exhibitors

PHILIPPINE FOOD exporters generated \$50.65 million worth of sales as exhibitors at the Gulfood 2023 food and beverage expo in Dubai, the Department of Trade and Industry's (DTI) export promotion arm said.

The Center for International Trade Expositions and Missions (CITEM) said in a statement on Monday that 18 exporters showcased healthy and halal-certified products at Gulfood 2023 under the FOOD Philippines banner between Feb. 20 and 24, exceeded their target by over 300%.

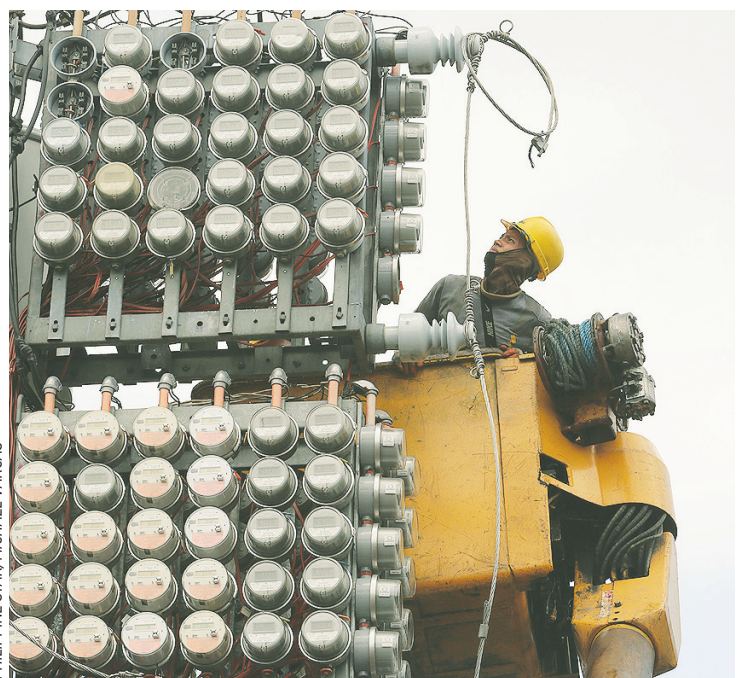
The products included fresh and processed fruit and vegetables, processed marine products, ethnic and gourmet products, non-alcoholic beverages, confectionery, biscuits, pastries, and other food and beverage categories.

According to CITEM, the exhibitors generated 400 inquiries during the trade show, helping them establish new export leads.

Gulfood is the largest food and beverage sourcing event in the region, with 48% of exhibitors using the food and beverage expo as an entry point into the global market.

CITEM said the value of the global halal food market was estimated at \$1.5 billion in 2023 and is projected to hit \$2.5 billion by 2027. It was citing projections by research firm Business Research Co.

Philippine participation in Gulfood 2023 was organized by CITEM, in collaboration with the Philippine Trade and Investment Center-Dubai. — **Revin Mikhael D. Ochave**



CoA flags former UCPB unit's failure to make progress on liquidation

THE Commission on Audit (CoA) said a former unit of the United Coconut Planters Bank (UCPB) has not made progress with its liquidation, with its dissolution deadline of Dec. 31 approaching.

In a 2022 audit report dated March 22, CoA said that the "programmed activities in UFEC's Plan of Liquidation have not been carried out within the time frames set."

UFEC (United Foreign Exchange Corp.) is a wholly-owned

subsidiary of UCPB, which merged with Land Bank of the Philippines (LANDBANK) in 2022.

CoA said UFEC's inability to follow the timeline set for its planned liquidation could result in the incurrence of additional fees, penalties, and other expenses.

The state auditors proposed that UFEC expedite its business closure as well as sell its financial assets worth over P7 million in 2022.

It also recommended that UFEC resubmit its amended articles of incorporation, pay the necessary fees, and file the latest audited financial statements to the Securities and Exchange Commission on time.

UFEC suspended commercial operations in 2004 and initially planned its dissolution on Dec. 31, 2016 "due to the liberalization of foreign exchange markets, whereby the former UCPB can freely deal with other

banks in foreign exchange currencies and transactions," the report said.

Its board in 2021 approved the dissolution of UFEC, which is authorized to conclude the company's winding-up by Dec. 31, 2023.

CoA noted that as of Dec. 31, 2022, UFEC is unstaffed, with LANDBANK employees serving as the company's management. — **Beatriz Marie D. Cruz**

OPINION

SEC grants amnesty for non-filing, late filing, non-compliance

"We are in the end game now." This is the familiar line from Doctor Strange in the *Avengers: Infinity War* movie, signifying the approach of the final phase of the battle with Thanos. As it is less than two weeks before the BIR's deadline to submit Audited Financial Statements (AFS) and Annual Income Tax Returns (AITR), our dear tax consultants, auditors and accountants are also "in the end game."

I was once an external auditor and I personally know the stress (physically, mentally and emotionally) of "beating" the deadline to submit the AITR and AFS. This year, the AITR deadline for calendar year ended Dec. 31, 2022 is on April 17, while the submission of AFS with the Securities and Exchange Commission (SEC) is between May 29 and June 30, depending on the last digit of the company's SEC registration or license number. April is always considered "crunch time." However, the submission does not end with the BIR. After these documents are received by the BIR, companies also have to submit them to the SEC. In addition, the General Information Sheet (GIS) must be filed on or before April 30.

The non-filing of the AFS, AITR and GIS with the SEC has a corresponding

fine and penalty. Originally, under SEC Memorandum Circular (MC) No. 6, series of 2005, companies are liable to pay P10,000.00 plus P100 per day of delay for not complying with the submission requirements of the SEC. Companies that were late or not able to file these documents have been provided relief by

SEC MC No. 2, s.2023 which grants amnesty for the non-filing and late filing of the GIS and AFS and non-compliance with MC No. 28, s.2020.

MC No. 2, s.2023 grants amnesty to corporations, including branch offices, representative offices, regional headquarters and regional operating headquarters of foreign corporations and foundations, for the following violations:

- Non-filing and late filing of GIS for the latest and prior years;
- Non-filing and late filing of AFS, including fines for its attachments, for the latest and prior years; and
- Failure to comply with MC No. 28, s.2020.

The amnesty rate for the non-filing and late filing of AFS and GIS is P5,000.00. However, for suspended and revoked corporations, including those which have filed for the lifting of suspensions and revocation, the applicable fine will be 50% of the assessed fines.

Lastly, for companies that have failed to comply with MC No. 28, s.2020, the P10,000.00 penalty has been waived.

As a refresher, MC No. 28, s.2020 requires corporations, partnerships, associations and individuals to create and/or designate e-mail addresses and cellphone numbers for transactions with the SEC. This is to facilitate and expedite the transmission and receipt of official communications with the SEC. The e-mail addresses and cellular phone numbers must be under the control of the corporate secretary, the person charged with the administration and management of the corporation sole, the resident agent of the corporation, the managing partner, the individual, or the duly authorized representative.

Going back to MC No. 2, s.2023, the amnesty period runs to April 30, 2023. Hence, the duly authorized representative of the company must: (a) file an Online Expression of Interest Form (EOI) via the Electronic Filing and Submission Tool (eFAST) and (b) pay the corresponding fees before the deadline to be eligible for the amnesty. Upon uploading the EOI to eFAST, a Payment Assessment Form (PAF) will be generated which must be settled through the Electronic System for Payment to SEC (ePAYSEC) only. Once the PAF is paid, the company must again upload the Notarized Application for Amnesty Form and all other requirements in eFAST. Once the sub-

mitted documents have been evaluated and deemed compliant, a Confirmation of Payment of Amnesty on Fines and Penalties will be issued to the company's registered e-mail address.

It is also worth noting that not all corporations are eligible to apply for this amnesty. The following corporations are excluded from the coverage:

- Corporations whose securities are listed on the Philippine Stock Exchange;
- Corporations whose securities are registered but not listed on the PSE;
- Corporations considered as Public Companies;
- Corporations with intra-corporate disputes;
- Corporations with disputed GIS; and
- Other corporations covered under Sec. 17.2 of RA No. 8799 or the "Securities Regulation Code."

The issuance of the Confirmation of Payment for Amnesty on Fines and Penalties to companies which have fully complied with the requirements under the circular means that the amnesty is final and irrevocable for the covered period/s. However, this does not exempt the companies from filing their subsequent mandatory reportorial requirements in a timely manner. For Revoked or Suspended Corporations, this will not automatically lift its Revoked or Suspended status.

MC No. 2, s.2023 is a very welcome development for non-compliant com-

panies. Considering the recent COVID-19 pandemic, many companies have failed and/or have difficulty in complying with the SEC's deadline in filing their AFS and GIS. This circular gives companies a sort of a clean slate moving forward. Also, for companies planning to amend their articles of incorporation or update their current capital structure and other applications with the SEC, they need to have Monitoring Clearance from the CRMD. Availing of the amnesty would expedite the clearance process.

Just like when Doctor Strange said that he has seen 14,000,605 potential futures and that there is only one future in which the Avengers defeat Thanos, companies must take this opportunity to settle with the SEC since an amnesty may not be offered again soon.

Let's Talk Tax is a weekly newspaper column of P&A Grant Thornton that aims to keep the public informed of various developments in taxation. This article is not intended to be a substitute for competent professional advice.

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