

Napocor seeking P10B from LANDBANK as diesel bill rises

THE National Power Corp. (Napocor) said it plans to borrow P10 billion from Land Bank of the Philippines (LANDBANK) to keep its Small Power Utilities Group (SPUG) running in the face of higher diesel prices.

Fernando Martin Y. Roxas, Napocor president, said that Napocor is planning to borrow more from LANDBANK on top of the P5 billion Napocor obtained earlier.

“We’re hoping to get it by August or September this year. Hopefully by August this year,” Mr. Roxas told reporters at an energy conference.

Napocor serves remote areas not connected to the grid through SPUG, which mainly operates diesel power plants.

He said the P10 billion is estimated to be sufficient to fund Napocor’s fuel re-

quirements for the rest of the year.

Mr. Roxas said the plan to seek financing has been lodged with the Monetary Board.

“We already asked for the Monetary Board’s approval and are beginning to apply for the sovereign guarantee,” he said.

In March, Napocor announced that it will no longer go ahead with an earlier plan to reduce

the operating hours of its SPUG power plants.

The plan to reduce operating hours had been floated at a time of unusually high diesel prices, following the outbreak of the Russia-Ukraine war.

Napocor has since pivoted to the expansion of off-grid renewable energy (RE) power plants, with a target of going full RE before 2030. — **Ashley Erika O. Jose**

LTO’s Tugade says departure will give Transport department ‘free hand’ in running agency

ASSISTANT Transport Secretary Jose Arturo M. Tugade said his departure from the Land Transportation Office (LTO) was the result of a conflicting ideas on how to run the office with the Department of Transportation (DoTr), its parent agency.

“For this reason, I am stepping down so Secretary Jaime J. Bautista will have the free hand to choose who he can work best with,” Mr. Tugade said in a statement.

“Even as the Department of Transportation (DoTr) and LTO both aim to succeed in serving the public, our methods to achieve that success differ,” Mr. Tugade said.

Mr. Tugade did not elaborate on his differences with the DoTr.

The resignation takes effect on June 1.

Mr. Tugade took office on Nov. 17, 2022. He is the son of the former Transport Secretary, Arthur P. Tugade.

“I will continue to root for the LTO’s success even as a private citizen, because I will always share in Secretary Bautista’s belief that our offices can be a formidable force for good in our country,” he said.

In a separate statement, Mr. Bautista said that the DoTr will recommend to the Office of the President a new official to head the LTO.

“We extend our appreciation to Assistant Secretary Tugade for his

seven-month stint as Assistant Secretary of the LTO,” Mr. Bautista said.

“His pursuit of service innovations at LTO benefited the public, for which this office is grateful,” he said.

During his term, Mr. Tugade introduced electronic systems, online renewal options, a cap on driving school rates, incentives for electric vehicle users, and a three-year validity period for registering motorcycles with engine displacements of 200 cubic centimeters and below.

Late Monday, the Palace announced in a statement the appointment of Roque I. Verzosa III as regional director of the LTO-National Capital Region (NCR).

The appointment signals the merger of LTO’s two NCR offices, the Palace said.

“With the appointment of Mr. Verzosa, the LTO-NCR East and the LTO-NCR West are now merged into one regional office, which shall be composed of at least 65 field district offices, extension offices, licensing centers, including those located at malls, and other similar offices,” the Palace said.

Before the appointment, Mr. Verzosa had served as officer-in-charge regional director of LTO-NCR-West starting October 2022. He also held the position of assistant regional director of LTO-NCR-West. — **Justine Irish D. Tabile**

Miners facing scrutiny over type of energy used

MINING COMPANIES are increasingly being evaluated by their buyers over the type of energy they use in their operations, an industry official said.

“A new ethic in doing business, particularly in the mining industry, is now emerging worldwide,” Offshore Mining Chamber of the Philippines, Inc. Chairman Michael Raymond A. Aragon said in a statement.

Mr. Aragon said that miners are now being required to disclose to their buyers the types of energy they use.

“If the energy source used for mining is not clean or green

then most buyers will refuse the miner’s business,” he said.

“We welcome this new emerging norm in doing business transactions internationally especially in the mining industry... we all have to act on the urgent need to fight the global climate emergency that threatens humanity with species extinction if not abated soon,” he added.

Michael L. Ricafort, chief economist from the Rizal Commercial Banking Corp., said demand for clean energy in supply chains is largely driven by companies who are being rated on their performance on environ-

mental, social, and governance (ESG) criteria.

He said ESG drives many companies to “further reduce, if not eliminate, carbon emissions/ footprint in the coming years” with the encouragement of institutional investors and regulators.

“This encourages the shift towards more renewable and sustainable power/energy and other business practices as the cost of renewable power such as wind, solar, hydro, among others has decreased in recent years,” he said in a Viber message.

However, Mr. Ricafort said some miners in the Philippines

remain constrained due to the lack of access to renewable power.

“One of the challenges includes the need to bring in/roll out more renewable power capacity in the country and reduce dependence on non-renewable power sources such as coal and other petroleum-based energy/hydrocarbons,” he said.

The Department of Energy estimates that renewable energy (RE) capacity increased 4% to 8,255 megawatts in 2022.

RE currently accounts for 29% of the energy mix, with a target to expand to 35% by 2030 and 50% by 2040. — **Sheldeen Joy Talavera**

Labor sector pushes back against proposal to restructure Duty Free PHL

By John Victor D. Ordoñez
Reporter

A RETRENCHMENT PLAN for Duty Free Philippines Corp. (DFPC) runs counter to a government pledge to raise employment in the tourism industry over the next five years, a labor group said.

“The Federation of Free Workers (FFW) is committed to supporting initiatives to generate jobs from tourism,” FFW President Jose G. Matula said in a Viber message.

“To protect jobs in the industry, FFW urgently calls on the government to halt the ongoing downsizing plan and worker retraining within DFPC.”

In March, DFPC released the implementing rules and regulations for its rightsizing plan, which the FFW said could lead to the retrenchment of over 700 rank-and-file employees.

The retrenchment plan is authorized by Republic Act 10149 or the Government-Owned and -Controlled Corporation Governance Act of 2011.

DFPC had not replied to a request for comment at the deadline.

Mr. Matula said the government should ensure security of tenure for government employees in the tourism industry.

“The government should avoid any unnecessary terminations and explore alternative measures such as retention, redeployment, and performance evaluations to ensure the workforce remains intact and productive,” he said.

The Department of Tourism (DoT) hopes to generate 34.7 million tourism-related jobs and

take in 51.9 million international arrivals by 2028, according to the recently approved National Tourism Development Plan.

Last week, President Ferdinand R. Marcos, Jr. approved the plan, which aims to establish a tourism industry “anchored on Filipino culture, heritage and identity which aims to be sustainable, resilient and competitive in order to transform the country as a tourism powerhouse.”

Jose Enrique A. Africa, executive director of the think tank IBON Foundation, said the

government should also consider workers’ rights as well as tourism’s impact on the environment and local communities.

“We’d also be concerned about the obsession with metrics for tourism success like investment, revenue and visitors yet heedless of the economic rights of workers in the industry,” he said in a Viber message.

“An industrialized economy is the only real and sustainable source of economic dynamism and strength for the Philippines.”

The government should look to the modernization of agri-

culture and industrialization in fostering development and job creation, Mr. Africa added.

This year, the DoT aims to attract 4.8 million international tourists and set a revenue target of P316 billion from foreign tourist spending. The revenue goal for domestic tourist spending is P1.93 trillion.

The Philippines has logged 2.029 million international visitors and P168.5 billion in visitor receipts in the four months to April, according to the Tourism department.

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CERTIFICATE OF NOMINATION

INSTRUCTIONS: (Read well before filling up this form.)

- File this in FIVE (5) legible copies and submit to the Law Department, from 8:00 AM to 5:00 PM ONLY, on any day from OCTOBER 14, 2022 (including Saturday and Sunday).
- ATTACH to this Certificate the Sworn Certificate of Acceptance of Nomination and Affidavit of the Secretary General and Chairperson/President.
- COPY FURNISH to the Clerk of the Commission.
- This Certificate shall be sworn before a notary public or any official authorized to administer oath. COMELEC officials are not authorized to administer oath, even in their capacities as Notary Public.
- No filing fee shall be imposed.

PURSUANT to the power and authority vested in me by the Constitution and By-Laws of **Ako Ilocano Ako**, a political party/sectoral party/organization/coalition duly accredited by the Commission to participate in the May 9, 2022 National and Local Elections under the party-list system, I, **Ernesto L. Calindas**, Chairperson/President/ Secretary-General of aforesaid party-list group, hereby nominate in the order stated the following party-list nominees:

NAME	ADDRESS
1. <u>Rhelle Rala Louise S. Michael</u>	<u>Brgy. Sulvec, Narvacan, Ilocos Sur</u>
2. <u>Luis C. Singson</u>	<u>Brgy. Sulvec, Narvacan, Ilocos Sur</u>
3. <u>Freda Luz Singson</u>	<u>Brgy. San Nicolas, Candon City, Ilocos Sur</u>
4. <u>Allen Frederic Singson</u>	<u>Brgy. San Nicolas, Candon City, Ilocos Sur</u>
5. <u>Helita S. Bustamante</u>	<u>Brgy. Calaaan-an, Candon City, Ilocos Sur</u>
6.	
7.	
8.	
9.	
10.	

I hereby certify that the above nominees have all the qualifications and none of the disqualifications of party-list nominees and that they are neither candidates for any elective office nor have anyone of them lost their bid for an elective office in the May 09, 2022 National and Local Elections.

IN WITNESS WHEREOF, I hereunto affix my signature this 19 day of MAY, 2023 in Ilocos Sur, Philippines.

Ernesto L. Calindas
Chairperson/President/Secretary-General

SUBSCRIBED AND SWORN to before me this 28 day of APRIL, 2023, at PAISIG CITY, affiant exhibiting to me an Identification document/card which contains a photograph and signature bearing No. 010415, issued by office of the Senior Citizen's Affairs, on 15 October 2014.

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Series of 2023.

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R. JOHN CHRISTOPHER S. SALOM
NOTARY PUBLIC FOR PAISIG CITY,
NOTARIAL DISTRICT OF SAN JUAN CITY,
(PARTIALLY AUTOMATICALLY RECORDED)

PREPARED BY: **GG Ads Communication Inc.**

OPINION

A taxpayer’s right to receive notice of assessment

In one of the episodes of *Suits* when Mike Ross was being tried for fraud, for impersonating a lawyer, Donna Paulsen was questioned by Anita Gibbs. When asked if she knew whether Mike went to Harvard Law School, this question caught her off guard and prompted her to invoke the Fifth Amendment. While watching this episode, I was amazed that even on TV shows, the characters know their rights. It’s hard not to make comparisons to taxpayers in terms of understanding rights. In tax assessment cases, many taxpayers may be unaware of their basic rights. As such, this article will briefly discuss one of the substantive requirements in assessment cases — The Notice of Informal Conference (NIC) or Notice of Discrepancy (NoD).

LET’S TALK TAX
LORENZO MIGUEL A. SORIANO

The discussion of the NoD should not exceed 30 days from the taxpayer’s receipt of the notice. During the discussion, the taxpayer is given the opportunity to present its side of the case, explain any discrepancies found during the investigation of the Revenue Officers, and submit supporting documents explaining its arguments.

ABSENCE OF NIC VIOLATES RIGHT TO DUE PROCESS
In Court of Tax Appeals (CTA) En Banc (EB) Case No. 2229, dated March 27, 2023, the CTA had the opportunity to rule on the importance of the NIC. In that case, the tax authorities contested the Court’s decision to cancel deficiency tax assessments for the taxable year 2008, on the grounds that the taxpayer’s right to due process had been violated. The tax authorities argued that the assessment notices and even the Final Decision of Disputed Assessment (FDDA) issued to the taxpayer were properly served to the taxpayer’s registered address and authorized persons, contrary to the taxpayer’s claim. The Court agreed with the argument of the tax authorities that the assessment notices and FDDA were properly served. However, the Court noted that an NIC was not issued prior to the issuance of the assessment notices and FDDA, resulting in a violation of due process.

Considering the importance of the NIC/ NoD, the Court emphasized the mandatory and corresponding due process requirement in the issuance of a deficiency tax assessment. In the aforementioned case, the CTA ruled in favor of the taxpayer by reaffirming its decision, prohibiting the collection of assessed deficiency tax by the tax authorities against the taxpayer for violation of the right to due process. In the case at bar, the tax authorities did not issue an NIC but issued a Post Reporting Notice (PRN).

The tax authorities contend that there is no violation of due process since the PRN and the NIC serve the same purpose of informing the taxpayer of deficiency taxes and providing an opportunity to explain its side before the issuance of the Preliminary Assessment Notice. However, the Court rejected the tax authorities’ arguments and explained that the issuance of the NIC has been recognized as

part of the due process requirement from the time of the 1977 Tax Code. The implementing regulation of the 1977 Tax Code, RR No. 12-1985, states that the BIR must send the taxpayer an NIC. This requirement was retained in RR No. 12-99 when the Tax Code of 1977 was amended by the Tax Code of 1997, as amended. Although the issuance of RR No. 18-2013 removed this requirement, it was later reinstated by RR No. 7-2018. Furthermore, at the time the PRN was issued, the governing regulation was RR No. 12-99, and there was no indication that an NIC was issued by the tax authorities. The Court was not convinced by the tax authorities’ argument that the PRN issued to the taxpayer served as the NIC required under RR No. 12-99 because the PRN did not include an invitation to schedule a conference or discussion between the tax authorities and the taxpayer.

In a similar vein, the Supreme Court ruled in G.R. No. 172598 that a taxpayer is deprived of due process when the tax authorities fail to issue an NIC as required by RR No. 12-99.

Based on the above rulings, it is clear that the NIC, now NoD, is an integral part of due process. An assessment case is considered void if the taxpayer’s due process rights are violated. When it comes to the power of the State to tax versus an individual’s right to due process, the scale favors the taxpayer’s right to due process. As taxpayers, it is crucial that we are aware of our basic rights and equipped with knowledge so that we are not deprived of our rights and placed at a significant disadvantage in tax assessment cases.

Luckily for Donna, she knew her rights. Let us be reminded that we should know ours too.

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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