

# Palawan, Mindoro called ideal sites for nuclear reactor facilities

THE GOVERNMENT is considering small modular reactor (SMR) facilities in Occidental Mindoro and Palawan, the Philippine Nuclear Research Institute (PNRI) said on Monday.

Carlo A. Arcilla, PNRI director, said in a Laging Handa briefing, called the two provinces ideal locations for SMRs.

“There’s no supply of electricity... especially at night. How can you attract tourists? It is high time to consider nuclear power in islands that are not connected to the grid,” Mr. Arcilla said.

“SMRs can be placed in small islands that are off-grid,” he added.

Last month, Occidental Mindoro was placed under a state of calamity after power interruptions of as long as 20 hours a day.

The National Electrification Administration has since sealed a two-month deal to bring in additional power for the province at rates subsidized by the government.

NuScale Power Corp. has expressed its interest in investing in the Philippines. The company de-

scribes itself as the global leader in SMR technology.

“It is good that we have offers for SMRs... our energy situation is critical because 50% of our energy is from coal,” he said.

Mr. Arcilla said renewable energy alone cannot provide for the Philippines’ energy needs and needs to be complemented with nuclear power.

He also said that the Philippines can no longer rely on natural gas because the Malampaya gas field, the only indigenous commercial source of natural

gas, is expected to start becoming commercially depleted by 2024.

Meanwhile, Mr. Arcilla said that the rehabilitation of the Bataan Nuclear Power Plant (BNPP) remains on the table.

“To run BNPP it will need a political decision then followed by a technical decision. We have offers to rehabilitate the site) from Korea,” he said.

In February, PNRI said that Korea Hydro & Nuclear Power Co., Ltd. offered to revive the BNPP within five years for \$1.19 billion. — **Ashley Erika O. Jose**

## DENR may require mining companies’ social dev’t plans to provide for small-scale miners

THE Department of Environment and Natural Resources (DENR) said on Monday that it is studying requiring mining companies to include small-scale miners (SSMs) into their community development projects.

“There must be a way to negotiate the resilience of communities where mining is happening, the social development needs to happen,” Environment Secretary Maria Antonia Yulo-Loyzaga said in a statement.

Mining companies are required to dedicate a percentage of their spending to their host communities according to an approved Social Development and Management Program (SDMP).

“This way inclusivity in terms of the progress of the community as a whole can really be institutionalized,” she added.

Describing the proposal as a “big brother-small brother” strategy, the DENR said such an approach could help large miners better achieve their social development targets.

DENR Administrative Order No. 2010-21 or the Revised Implementing Rules and Regulations of Republic Act or the Philippine Mining Act of 1995 requires mining contractors and permit holders to allocate 1.5% of operating expenses to the SDMP.

Of this allocation, 75% must be dedicated to community development.

Michael T. Toledo, chairman of the Chamber of Mines of the Philippines (CoMP), said the association will await the results of the DENR study but called for the program to undergo a thorough consultation process.

“We believe though that this should be done in consultation with

industry associations and, equally important, host communities — the primary SDMP beneficiaries — as such a scheme will affect their share,” he told *BusinessWorld* via chat.

He said the allocation should cover only accredited SSMS monitored by the DENR, the Mines and Geosciences Bureau and a multi-party monitoring team that would include representatives from large-scale mining firms.

“The large-scale mining industry’s negative image is in large part brought about by illegal mining operations, mostly small-scale,” he said.

“This is why CoMP has in the last dozen years urged the government to take tougher stance against illegal mining activities, particularly unregulated SSM,” he added.

The DENR regulates small-scale miners as authorized by Republic Act No. 7076 or the People’s Small-Scale Mining Act of 1991.

“Illegal SSM does not employ the same stringent safety practices required of legitimate large-scale mining operators,” Mr. Toledo said.

He said that illegally operated SSMS employ child labor, evade taxes, and endanger mine workers as well as the environment.

Global Ferronickel Holdings President Dante R. Bravo said the company is open to the DENR proposal.

“Our SDMP should be inclusive and consistent with the sustainability objective of the mining law and the UNSDG (United Nations Sustainable Development Group). I think it’s a desirable initiative from the DENR,” he said in a text message. — **Shelden Joy Talavera**

## Nomura Global cuts 2023 PHL inflation estimate

NOMURA GLOBAL Markets Research has lowered its inflation forecast for the Philippines due to the lower-than-expected inflation readings over the past two months, which are likely to have persuaded monetary authorities to pause their rate hike cycle earlier than expected.

In a May 5 report Nomura Global Markets Research revised downward its consumer price index (CPI) forecast for the Philippines to 5.3% this year from the 5.8% average it projected in March.

The projection is also lower than the 6% full-year forecast of the Bangko Sentral ng Pilipinas (BSP) full-year forecast for 2023.

The Nomura Global projection was issued in a note, “Philippines: Higher inflation for longer” written by Nomura Global Chief ASEAN (Association of Southeast Asian Nations) Economist Euben Paracuelles and analyst Rangga Cipta.

“Taking into account the CPI releases (that were) surprisingly lower in the last two months, we reduce our 2023 headline inflation forecast to 5.3% from 5.8%, still above BSP’s 2-4% target,” Nomura Global said.

Headline inflation slowed to 6.6% in April, from 7.6% in March, the Philippine Statistics Agency said.

“However, the trajectory penciled in our new forecast suggests a steeper decline in the second half of the year, with headline inflation falling back to within BSP’s target by September, earlier than our previous forecast of November,” Nomura Global said.

Nomura Global also trimmed its core inflation forecast to 5.7% from 5.9% previously, adding however that core inflation may remain elevated in the coming months.

“We believe the services components and discretionary items will remain sticky for some time, before easing later in the year and becoming more in sync with lower food and energy prices,” it said.

Core inflation slowed to 7.9% in April from 8% in March. The March reading was the highest since December 2000.

“As we argued, some persistence in second-round effects remain evident, and could continue to do so in the near term especially with prolonged increases in electricity rates and transport fare adjustments,” Nomura said.

It also said that as minimum wage negotiations typically take place this month or in June, workers may ask for higher wages due to increased utilities costs and fares.

### BSP TO PAUSE ON MAY 18

The central bank may start to keep rates steady at its next policy meeting on May 18 due to easing inflation, Nomura Global added.

The Monetary Board has raised borrowing costs by 425 basis points (bps) since May last year, bringing the key policy rate to a near 16-year high of 6.25% to tame inflation.

“In line with our lower inflation forecasts, we accordingly remove the remaining two 25-bp hikes from our policy rate forecast and now expect BSP to leave (rates) unchanged at 6.25% this year,” Nomura Global said.

It noted that the central bank could also change its inflation assessment to “more balanced” from “tilted heavily to the upside.”

“This would likely mark the end of BSP’s hiking cycle, in our view, although we believe the communication from BSP will still suggest it remaining vigilant against inflation risks,” it said.

The BSP sees full-year inflation averaging 6% this year, before decelerating to 2.9% in 2024.

Nomura Global said the BSP is unlikely to turn “more dovish” and will only start cutting the benchmark interest rate in March next year with the

Federal Reserve also expected to start easing by that time.

However, the BSP may cut the bank reserve requirement ratio (RRR) by the second half of the year.

“If headline inflation continues to decline in coming months as we expect, BSP could resume taking steps towards its long-term goal of reducing the RRR to single-digit levels from 12% currently,” Nomura said.

The RRR for big banks is one of the highest in the region. Reserve requirements for thrift and rural lenders are at 3% and 2%, respectively.

“In our view, BSP will also likely make the case for only gradual RRR cuts, so that the impact on monetary conditions will likely be neutral, arguing that this can be offset by greater use of BSP’s new instruments for liquidity absorption, including the term deposit facility,” it said.

A cut in the RRR would represent an operational adjustment to facilitate the BSP’s shift to market-based instruments for managing liquidity, particularly the term deposit facility and the BSP securities.

The BSP has committed to bringing down the RRR of big banks to single digits by this year. — **Keisha B. Ta-asan**

## PHL healthcare information roadshow generates \$85.9 million in initial sales, investment leads

PARTICIPANTS in a US healthcare information management services (HIMS) roadshow generated \$85.9 million worth of sales and investment leads, according to the Department of Trade and Industry (DTI).

In a statement on Monday, the DTI said that it secured \$72.9 million worth of initial sales (including closed deals, contracts under negotiation, and sales leads), as well as \$13 million in direct investment leads following trade and investment roadshows in Texas and New York.

The trade delegation also participated in the HIMS Society Global Conference and Exhibi-

tion 2023 in Chicago between April 17 and 21.

According to the DTI, the delegation showcased its capabilities in information technology (IT) and HIMS services for clients in the pharmaceutical, research and life sciences, health IT, provider and payor-centric process industries, for both voice and non-voice support.

Some of the Philippine officials joining the delegation were Trade Undersecretary Rafaelita M. Aldaba, Philippine Economic Zone Authority Director General Tereso O. Panga, and Healthcare Information Management Association

of the Philippines President Vince Remo.

“The Philippines has proven, over time, its readiness and aggressive stance in exploring opportunities and collaboration to deliver quality healthcare information management services (HIMS) which gave birth to the flourishing HIMS sector,” Ms. Aldaba said.

The delegation included companies such as ADEC Innovations, Advanced World Solutions, Inc., Connex Global Solutions, Carelon Global Solutions, Dynaquest Technology Services, HYBrain, Inspiro, JBW Managed Services Consulting, Medcode, Inc., and Medstar.

Other companies involved in the trade mission were Microsourcing, Pointwest Technologies Corp., Robinsons Land Corp., Office Symmetry, Teleperformance, Trends and Concepts, Visaya KPO, and Viventis Search Asia.

The DTI said the Philippine delegation met with US companies likes Geekdom, Tech Port San Antonio, VelocityTX, University of Texas Health, Bellevue Hospital, The Plaza Rehabilitation, Business World Chicago, and Connecory Chicago, and various business chambers in Texas, New York, and Illinois for business matching and networking. — **Revin Mikhael D. Ochave**

### OPINION

## Welcome relief: Tax entitlements for solo parents

Mother’s Day is just around the corner, and what better way to celebrate our real-life superheroes than to honor them. On Sunday, May 14, we celebrate the guiding light of our families — our mothers. While some will be commemorating this event with a lavish family dinner, not all families will troop to the

### LET’S TALK TAX IRA JENNENA BERO

restaurants with a complete set of loving parents. According to a recent World Health Organization (WHO) study, the Philippines has about

15 million solo parents. An astonishing 95% or more than 14 million of them are women.

Solo parents give twice as much, even if they seem to be half as capable. They carry a load that was meant to be shared. Indeed, solo parents must have backbones of steel and hearts of gold.

Recognizing the need to enhance the assistance granted to solo parents, our legislators did a double take on the old Solo Parents’ Welfare Act of 2000 and approved R.A. No. 11861 last year. The new law expanded the benefits to include a 10% discount and exemption from the value-added tax (VAT) on certain essential purchases. The tax benefits cover baby’s milk, food and micronutrient

supplements, and sanitary diapers purchased, duly prescribed medicines, vaccines, and other medical supplements purchased. To qualify under the law, the solo parent must

(a) have children six (6) years old or younger, and (b) earn less than P250,000.00 annually. To prove their eligibility, the solo parent will

need to present their solo parent ID card (SPIC) and booklet to the establishments. Aside from showing that the solo

parent earns less than the threshold income per year, the SPIC will also show that names, birth dates and relation to the solo parent of the qualified children.

To implement these tax benefits, the BIR issued Revenue Regulations 1-2023 on Jan. 17, 2023. It prescribes the guidelines to VAT registered establishments giving the 10% discount and applying the VAT exemption on the sale of goods to solo parents.

The regulations emphasize that the discount and VAT exemption will apply only to the purchase of goods for the exclusive use and enjoyment of the qualified solo parent’s children. Hence, for purchases of medicine, vaccines and other medical supplements, a medical

prescription issued by an attending physician in the name of the solo parent’s children six years of age or under is necessary.

### THE 10% DISCOUNT IS DEDUCTIBLE

All establishments applying the discount and VAT exemption may claim the discount as deduction from gross income for the same taxable year the discount is granted.

The establishment must first report the undiscounted selling price and not the amount of sales net of the discount. In the income statement of the seller, the discount will be reflected, not as a reduction of sales to arrive at net sales, but as deduction from gross income (sales less cost of sales). The 10% discount is treated as an ordinary and necessary expense deductible from the gross income of the seller falling under the category of itemized deductions and can only be claimed if the seller does not opt for the Optional Standard Deduction (OSD) during the taxable quarter/year.

### VAT EXEMPT SALE

Sellers are precluded from billing any VAT on the sale of identified goods to qualified solo parents. The input tax attributable to the exempt sale is not allowed as an input tax credit

but must be recorded as cost or expense account by the seller.

In summary, the following are the requirements for the discount to be a deductible expense of the seller: (1) Only that portion of gross sales exclusively used, consumed, or enjoyed by the solo parent’s children are eligible for the deductible sales discount; (2) The gross selling price and the sales discount must be separately indicated in the sales invoice issued by the establishment; (3) Only the actual amount of the discount granted or a sales discount not less than the statutory rate of 10%, whichever is higher, can be deducted from gross income, net of VAT for income tax purposes, and from gross sale for VAT or other percentage tax; (4) The seller must record its sales inclusive of the discount granted; (5) The establishment must keep a separate and accurate records of sales including information of the solo parent and the children, (6) The discount is taken as a deduction from gross income in the same year the discount is granted, (7) Only business establishments selling any of the goods enumerated where an actual discount is granted may claim the deduction, and (8) The seller must not claim optional standard deduction during the taxable year.

It is indeed laudable for the government to grant these tax benefits to our real-life superheroes. As Ramon Magsaysay said: “Those who have less in life should have more in law.” Being a solo parent is a journey for the strong. The reality is that even two-income households struggle — more so solo parents, who are the only breadwinners. We cannot help but be in awe as they continue to carry on. Going solo does not mean one has to handle everything alone, because the government protects the welfare of solo parents. Granting tax benefits to them is the government’s way of saying, “You are appreciated. Wear your cape proudly. All that we are or ever hope to be, we owe to our Mama, Mommy and Nanay. To our guiding light, Happy Mother’s Day.

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