

# ASF vaccine subsidy program for hog farmers not yet funded

THE Department of Agriculture said it is still looking for funding sources for the program to subsidize vaccines for African Swine Fever (ASF).

"We are discussing this with the Bureau of Animal Industry (BAI) the possibilities to subsidize but we cannot commit as to whether there will be subsidies *bago lumabas ang presyo* (before knowing what the price will be)," Agriculture Assis-

tant Secretary Rex C. Estoperez told reporters on Monday.

Hog industry groups earlier called on the government to provide subsidies for the ASF vaccines, after the industry endured a severe downturn since the outbreak began in 2019.

The BAI has said that it has completed the clinical trials for a ASF vaccine manufactured in Vietnam and known as AVAC ASF LIVE.

The AVAC vaccine is the third vaccine to undergo clinical trials. The manufacturer is ready to supply 600,000 doses.

Mr. Estoperez said that the price has not yet been set as the proposed vaccine is still being assessed by the Food and Drug Administration pending the issuance of a certificate of product registration.

"For now, *wala pa tayong alam kung saan ang* (we don't

know where the) funds will come from, but we are looking at whether there are excess funds in our other programs," he said.

Mr. Estoperez said that the agency may seek help from legislators and the Department of Budget and Management.

As of June 1, 15 provinces have active ASF cases, according to the BAI. — **Sheldeen Joy Talavera**

# Napocor exploring hydrogen, fuel cell tech for off-grid use

THE National Power Corp. (Napocor) said it has signed a partnership with the German-Philippine Chamber of Commerce and Industry (GPCCI) to study the feasibility of green hydrogen and fuel cell technologies in off-grid areas.

"Napocor is excited to partner with GPCCI in exploring the potential of green hydrogen and fuel cell technologies," Fernando Martin Y. Roxas, Napocor president, said in a briefing on Monday.

Napocor and GPCCI were announcing the signing of a memorandum of understanding for a feasibility study, to address "the limitations of existing fossil fuel power generation capacity."

"We believe the solution lies in embracing innovative and sustainable technologies," GPCCI President Stefan Schmitz said.

The Department of Energy has said that it is seeking to introduce emerging technologies to the power mix.

Green hydrogen is produced with zero-carbon renewable energy instead of fossil fuels and has the potential to provide clean power for manufacturing and transportation, with only water as a byproduct.

Mr. Schmitz said that the feasibility study aligns with the urgent need to reduce greenhouse gas emissions, as the Philippines transition to a more sustainable energy mix.

Napocor currently operates 281 power plants under its Small Power Utilities Group (SPUG), mostly powered by diesel.

Mr. Schmitz said pilot areas are being considered for the feasibility study.

"We are probably going to look a little bit further south because these are mainly SPUGs. Probably, we'll focus on the central and southern Philippine area," he said.

In a statement, Napocor said the project's success will depend on renewable resource availability, economic factors, accessibility, and community support.

"With our mandate to provide electricity to rural areas and our commitment to optimizing power generation assets, this collaboration presents an opportunity to modernize power systems and reduce emissions. We believe this feasibility study will pave the way for a sustainable and climate-friendly energy transition in the Philippines," Mr. Roxas said. — **Ashley Erika O. Jose**

# Israel working on Tel Aviv-Manila direct flights

ISRAELI Foreign Minister Eliyahu Cohen said his country's tourism ministry is seeking to arrange direct air links between Tel Aviv and Manila to boost visitor exchanges and trade.

"Direct flights would be good for business and would be beneficial for both our peoples," he said at the Israel-Philippine Business Forum held at the New World Hotel in Makati City.

Mr. Cohen's two-day visit to the Philippines is the first by a foreign minister in 56 years.

"My goal today is to build a bridge for the business community to increase the trade volume between our countries and embrace prosperity for both of us," Mr. Cohen added.

Ilan Marciano, deputy director-general of the Israel Ministry of Tourism, told reporters during

the event that he was set to meet with executives from airlines in the Philippines and with the Department of Tourism to discuss proposals for more airline connectivity between the two countries.

Mr. Cohen said Israel has much to offer in terms of "innovation and finding solutions for complex challenges, often applying out-of-the-box types of ingenuity... Being a small economy, Israeli entrepreneurs are always looking for new partners outside of Israel."

Mr. Cohen is also due to meet with Foreign Affairs Secretary Enrique A. Manalo.

The Philippine Exporters Confederation, Inc., Israel Export Institute, and the Israel-Asia Chamber of Commerce signed a trade cooperation agreement during the forum, which featured networking opportunities for ag-

ricultural technology, water, and cybersecurity companies from both countries.

National Economic and Development Authority Secretary Arsenio M. Balisacan said at the event that the government expects any resulting partnerships to support the growth of key Philippine industries and expand export opportunities.

"I invite (Israeli businesses) to invest in our growth drivers, water, agriculture, transportation, agribusiness, and manufacturing," he said in a speech.

In February, the head of Israel's Economic and Trade Mission to the Philippines Tomer Heyvi told *BusinessWorld* editors and reporters in a roundtable discussion that Israeli firms are interested in investing in Philippine infrastructure, agriculture, water,

and business process outsourcing industries.

Israel's Ambassador to the Philippines Ilan Fluss has called it an Israeli priority to expand relations via economic development and innovation.

Trade between Israel and the Philippines totaled \$534 million in 2022, a 70% increase, according to the Israel Economic and Commercial Mission to the Philippines website.

It added that demand is growing for Israeli products in the Philippines in industries like agriculture and water technology, cybersecurity, and healthcare.

In September, Mr. Fluss said Israel is seeking tie-ups with information communications technology firms to bolster cooperation in innovation. — **John Victor D. Ordoñez**

# Bill seeks to cap government procurement process at 27 days

A BILL has been filed in the House of Representatives limiting all government procurement exercises to 27 days.

"Government agencies with major underspending concerns noted 'public procurement issues' as a recurring reason for the low disbursement (utilization)," Senior Deputy Speaker and Pampanga Rep. Aurelio D. Gonzales, Jr. said in House Bill No. 7944.

The measure is expected to help "address delays in the procurement process" and "further improve the timelines of the completion of projects of the entire government and their use and enjoyment by our people," Mr. Gonzalez said.

The measure aims to limit the duration of procurement to 27 days, starting from the day the invitation to prospective bidders is published and ending with the posting of the Notice of Award and Notice to Proceed with an approved contract.

The bill also proposes to eliminate the post-qualification component, a step in the current procurement process where the winning bidder's bona fides are further evaluated.

Lone bids will be allowed provided that the bidder's price can be met by the funds allotted for the contract. It also authorizes a waiver of the competitive bidding requirement for defense materials and related purchases.

The bill proposes the creation of the Ang Bagong Pilipinas Procurement Bureau under the Budget department as well as a

full-time Prequalification, Bids and Awards Committee in all agencies, local government units (LGUs), state universities and government-owned and -controlled corporations.

The measure applies to infrastructure, consultancy services, leases of privately-owned buildings or space longer than six months, and goods to be purchased entirely by LGU funds.

Foreign-funded procurement exercises, unless allowed in the loan agreement or the lending institution's guidelines, are exempt from the 27-day limit.

If signed into law, the measure would repeal Republic Act No. 9814 or the Government Procurement Reform Act, which "is no longer adequate to keep up with the rate of the projects being undertaken by the government," Mr. Gonzalez said.

He added that the current law "needs to be updated and streamlined to put an end to recurring delays in the acquisition of goods and services, and the awarding and implementation of infrastructure projects like roads, expressways and school buildings."

Measures seeking to amend government procurement laws are currently being evaluated by a House technical working group.

Infrastructure spending was P196.7 billion in the first quarter, while infrastructure and capital outlays in 2022 rose to P1.02 trillion, according to the Department of Budget and Management. — **Beatriz Marie D. Cruz**

# Tax system being outmaneuvered by digital companies

TAX administrators need to adapt to digital platform use by their taxpayers to enhance their ability to capture revenue, the Philippine Institute for Development Studies (PIDS) said.

"In a virtual cross-border world, the effectiveness of existing tax measures is limited. The ease through which online accounts can be set up and deployed as digital storefronts, often anonymously by users operating from homes, which are not tax-mapped, and through platforms that operate abroad, limits the Bureau of Internal Revenue's (BIR) enforcement powers," PIDS consultant and assistant professor at the University of the Philippines College of Law Emerson S. Bañez said in a statement.

Mr. Bañez said that the current tax system was "developed for bricks-and-mortar or traditional businesses with a physical location."

"This is not wholly applicable to e-commerce as not all digital businesses have physical stores or offices where they sell their goods and services and where the same is consumed," he said.

Tax Management Association of the Philippines President Suzette A. Celicious-Sy noted that no laws currently govern foreign businesses that provide digital goods and services in the Philippines.

A bill that seeks to impose a value-added tax on digital service providers is currently pending in the Senate at committee level.

If signed into law, it is expected to generate up to P18.2 billion in revenue by 2028.

"There are provisions in the bill that might be difficult to enforce, such as requiring nonresident digital service providers to designate a representative office or agent and suspend

business operations for failure to register as taxpayers in the Philippines," Ms. Celicious-Sy said.

"Overall, there needs to be a law to govern the taxation of nonresident foreign corporations and capture allocated taxes for income sourced within the Philippines," she added.

Mr. Bañez recommended using payment systems and platforms as withholding agents.

The government's tax administration efforts must also be digital-ready through "procuring the right technology, hiring individuals with the right skills, and reskilling the tax workforce."

The BIR recently announced that it is looking into a proposed creditable withholding tax on the income payments made by online platform providers to their partner sellers. — **Luisa Maria Jacinta C. Jocson**

# Low registration rates reported for EPR law

ONLY 15% or about 600 out of 4,000 obliged companies have registered in compliance with a law holding companies responsible for the proper disposal of their products' plastic packaging, according to the Department of Environment and Natural Resources.

Registration is required under Republic Act (RA) No. 11898 or the Extended Producer Responsibility (EPR) Act of 2022, which lapsed into law on July 23, 2022. It amends RA

9003 or the Ecological Solid Waste Management Act of 2000.

"So far, we have counted 4,000 obliged enterprises. Unfortunately, we only have had around 600 that have actually registered. Some of those 600 have fully complied with what is required for the registration; the rest are still in the process," Environment Secretary Maria Antonia Yulo-Loyzaga said at a news conference on Monday.

Ms. Loyzaga signed the law's implementing rules and regulations (IRR) in January. The IRR makes companies with assets of over P100 million to recover their own plastic packaging waste.

"We will be jumpstarting our communications program and education program for the EPR law this month in order for us to begin meet our targets," Ms. Loyzaga said. — **Sheldeen Joy Talavera**

## FULL STORY



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## OPINION

# Strengthening tax awareness

Taxes have been around forever, and will remain a feature of our civilization. Taxation is a burden we must learn to live with, as they are collected for the welfare of the people.

In the Philippines, while there are questions and concerns about the collection of taxes, the BIR has been optimistic about the prospects of its tax campaigns year after year.

The BIR campaigns include visits by BIR to discuss compliance with some taxpayers, and events in the regions encouraging individuals and businesses to fulfill their tax obligations. BIR officers have also engaged in dialogues to discuss tax policies, procedures and changes in tax laws and regulations.

The BIR has also introduced an enhanced chatbot named "Revie," which is a 24/7 interactive assistant powered by artificial intelligence that directs taxpayers to the BIR's services and answers tax-related concerns.

The BIR has also turned to social media platforms to disseminate information on new rules and regulations, policies, procedures and updates to various programs and projects. The use of social media as a channel for taxpayer outreach was authorized by RMO No. 7-2022.

The BIR has also conducted seminars and webinars to help taxpayers understand the importance of paying the correct taxes. During the tax filing season for example, a BIR webinar sought to

guide corporations and partnerships in filing their income tax returns.

To further promote public awareness, the BIR has also reached out to students. Recently, the BIR issued Revenue Memorandum Circular No. 64 - 2023, announcing a nationwide search for the Philippines' Brightest Buwis Masters of 2023 to encourage knowledge of tax laws among young people.

The highlight of the program is a Tax Quiz open to all college and university students.

The idea is to help the young gain a grasp of tax matters with the goal of eventually improving compliance among future taxpayers.

The BIR has thus amply demonstrated its efforts in promoting tax education, the idea being to minimize mistakes in compliance. It is, after all,

not unusual in BIR audits to turn up errors like applying the wrong withholding tax rate, or whether fringe benefits tax applies to certain forms of compensation.

There are also cases where the dispute lies in documentation and substantiation of expense accounts, be it an issue of deductibility for income tax purposes or an issue of allowable input VAT on certain purchases. There are also instances where taxpayers are not knowledgeable or are confused about some procedures or type of documents for submission to the BIR.

All the above errors or apparent confusion can be avoided with proper knowledge of tax law and procedures. Surely, more challenges will be encountered in administering the tax system. However, with proper tax

education, taxpayers will achieve and maintain compliance with less friction. Promoting tax education and strengthening tax awareness may thus be viewed as a means of equipping taxpayers in their journey.

*Let's Talk Tax, 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.*

MARICEL P. KATIGBAK is a senior manager from the Tax Advisory & Compliance division of P&A Grant Thornton, the Philippine member firm of Grant Thornton International Ltd. [pagrthornton@ph.gt.com](mailto:pagrthornton@ph.gt.com)

