

Young workers seen seeking better job benefits

A BUSINESS process outsourcing firm has called on employers to modify their rewards and benefits based on the needs of employees as a survey has shown that Gen Z and millennials are prioritizing work-life balance.

"In these changing times, we should be deliberate about giving team members the support they need and allowing them to have a rewarding journey," TELUS International Philippines Vice-President and Country Manager Anne Muñoz said in a statement on Monday.

Her stand comes as a recent survey by Deloitte says the top priorities for Gen Z and millen-

nial respondents in choosing an employer are a good work-life balance and opportunities for learning and development.

"Having meaningful rewards is one part of the equation to engage Gen Z and millennial team members. These must also come with a work culture that emphasizes purpose and allows each team member to see the value of their contributions toward the overall goal of the organization," Ms. Muñoz said.

The Deloitte survey has also shown that the cost of living is the top concern among Gen Z and millennials who say they will be less anxious about their financial

situation if employers offer financial wellness benefits.

In response, TELUS International Philippines has improved its monthly mobile load benefits, added nontaxable medical allowances, and increased the nontaxable allowances for rice subsidies and uniforms.

"We have set our sights on helping our team members achieve financial security through TIP S.A.F.E., a retirement benefits fund and savings program that enables our team members to allot a certain amount from their salary to be placed in an account that earns interest," Ms. Muñoz said.

TELUS International Philippines also increased the number of paid time off conversions, as well as upgraded its site clinics by ensuring hospital-quality consultation wherein team members could get certificates and recommendations for lab work from health maintenance organization (HMO)-accredited doctors onsite.

"We encourage our team members to avail of our free teleconsultation services to help address their issues on health, family counseling, trauma counseling, or financial and legal counseling. All our team members have had access to our

HMO plans since their first day," Ms. Muñoz said.

"In addition to extending health benefits to family members, we have been providing degree and certificate courses to our team members and their loved ones through TELUS International University (TIU), with a significant discount of 50-80% on tuition fees," she added.

Ms. Muñoz said there should also be efforts to boost employee benefits to keep the young workforce satisfied, citing a survey by YPulse showing that games, co-working spaces, and team activities are some of the things Gen Z and millennials look for in the workplace.

"We've gone above and beyond by creating highly engaging themed meeting rooms and game rooms that inspire creativity, allowing our team members to do their best work while enjoying the things they love doing. We also have various special interest groups where they can bond over different interests," Ms. Muñoz said.

TELUS International Philippines has seven sites across Metro Manila and two sites in Iloilo. It is a leading Philippines-based provider of digitally enabled customer experience and business process solutions. — **Revin Mikhael D. Ochave**



Global-Estate Resorts forecasts sustained growth

ANDREW L. TAN'S Global-Estate Resorts, Inc. (GERI) expects to sustain its growth momentum as tourism recovers, its president said on Monday.

GERI President Monica T. Salomon told stockholders during their annual meeting that her optimism was based on the "remarkable" performance of the economy, the favorable outlook for the property sector, and the resurgence of tourism and leisure. "The company is confident that it would sustain its growth momentum in the succeeding years," she said.

In line with the forecast, the company is banking on its tourism estate portfolio to drive its earning upward.

"The anticipated rise in tourist arrivals due to pent-up demand is expected to boost hotel occupancies and retail spending, benefiting the company's tourism estates in Boracay and Batangas," Ms. Salomon added.

She added that GERI's Boracay Newcastle property is poised to capture the meetings, incentives, conferences and exhibitions or MICE market in the area.

The Boracay property, which is a 150-hectare integrated tourism and leisure estate, opened last year its Boracay

Newcastle Convention Center that can accommodate 1,200 individuals.

Ms. Salomon said the site now can host large-scale business events.

"The company seeks to explore and develop different types of tourism, suitable for its tourism and leisure estates," she said.

During the first quarter, GERI's attributable net income rose by 40% to P479 million from the previous year's P343 million. Its consolidated revenues increased by 56% to P2.1 billion from P1.3 billion previously.

A subsidiary of Megaworld Corp., GERI is primarily engaged in the development of integrated tourism and leisure estates, and integrated lifestyle communities with residential, retail, hotel, and leisure components.

Its wholly owned subsidiaries include Novo Sierra Holdings Corp.; Elite Communities Properties Services, Inc.; Savoy Hotel Boracay, Inc.; Belmont Hotel Boracay, Inc.; Twin Lakes Corp.; Megaworld Global-Estate, Inc.; Oceanfront Properties, Inc.; and Global Homes and Communities, Inc.

On Monday, its shares fell by 2.25% or two centavos to P0.87 apiece. — **Adrian H. Halili**

Apple cuts Vision Pro goals after production issues, says FT report

APPLE, Inc. is slashing production targets for its Vision Pro because manufacturers are struggling with the novel gadget's complex design, the *Financial Times* (FT) reported.

Apple is now preparing to make fewer than 400,000 units of the \$3,499 headset in 2024, it said, citing unidentified people close to Apple and Luxshare Precision Industry Co., the Chinese firm that's initially assembling the device.

Two China-based suppliers of components said Apple was only asking for enough parts for 130,000 to 150,000 units in the first year, while plans for a cheaper version have been pushed back, the newspaper reported.

Luxshare stock pared earlier gains but was still up about 3.8% Monday afternoon in Shenzhen. Apple shares were little changed in premarket trading before New York exchanges opened on Monday.

Apple made Wall Street history after its market value climbed past \$3 trillion, as investors continued to pile into big tech firms.

The Vision Pro, unveiled last month, is its latest move to sustain sales momentum and try to propel a mixed-reality industry that for years has struggled to make it into the mainstream. The device, which resembles high-tech ski goggles, will have its own operating system, visionOS, and a dedicated App Store. It's slated to arrive early next year in the US, followed by other regions later.

But the new projections are down sharply from a previous internal sales target of one million units in the first 12 months, according to the *Financial Times*.

A major hurdle is the creation of high-resolution inward displays, while projecting the wearer's eyes to the outside world, the paper said. Apple is also working on a more affordable version of the headset with Korean display makers, the paper said, citing two people with direct knowledge.

An Apple spokesperson didn't have immediate comment, while representatives for Luxshare didn't respond to a request for comment. — **Bloomberg**

Xurpas set to convert P136.5-M shareholder advances into equity

XURPAS, Inc. is planning to convert into equity around P136.52 million worth of its founders' advances to the listed technology firm.

In a disclosure to the stock market on Monday, the company said the move would provide Xurpas with capital to fund its pivot toward the enterprise market.

The advances came from the company's co-founders Nico Jose S. Nollado and Fernando Jude F. Garcia who offered the amount from 2017 to 2019.

"We have shown steady progress since we shifted our focus to the enterprise segment, and now have distinct products and services catering to customers both in the Philippines and increasingly, overseas," said Mr. Garcia, who is also the company's chief technology officer and treasurer.

Xurpas said the conversion of the advances to equity would improve and strengthen its balance sheet, "and reflects the founders' confidence in the corporation's ability to further expand its business."

It said the final conversion price would be determined within 30 days subject to the conditions that it would be above market price and supported by a fairness opinion from a qualified third-party authority.


"We continue to grow not only our core software development and [information technology] staff augmentation businesses, but have introduced pre-packaged business solutions for [small and medium enterprises], Mr. Garcia said.

He also said Xurpas plans to offer artificial intelligence consulting and development services to local companies.


The company is set to submit an application to the Securities and Exchange Commission to confirm the transaction by securing a confirmation of valuation.

"The listing of the shares will also be subject to an application with the Philippine Stock Exchange," it said.

Xurpas shares went up by 1.92% or P0.005 to P0.265 apiece on Monday. — **Adrian H. Halili**



REPUBLIC OF THE PHILIPPINES
Department of Finance
Department of Trade and Industry



JOINT MEMORANDUM CIRCULAR NO. 001 - 2023
Series of 2023

FOR : ALL CONCERNED REGISTERED BUSINESS ENTERPRISES (RBEs), INVESTMENT PROMOTION AGENCIES (IPAs), BUREAU OF CUSTOMS (BOC), AND DEPARTMENT OF FINANCE- REVENUE OFFICE (DOF-RO)

SUBJECT : GUIDELINES ON THE DETERMINATION OF NON-LOCAL AVAILABILITY OF CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES UNDER PART II, RULE 2, SECTION 4(B)(3) OF THE IMPLEMENTING RULES AND REGULATIONS (IRR) OF TITLE XIII OF REPUBLIC ACT (RA) NO. 8424, OTHERWISE KNOWN AS THE "NATIONAL INTERNAL REVENUE CODE OF 1997", AS AMENDED BY RA NO. 11534 OR THE "CORPORATE RECOVERY AND TAX INCENTIVES FOR ENTERPRISES (CREATE) ACT"

DATE : 10 May 2023

1.0 Legal Basis

Section 294(D) of the National Internal Revenue Code (NIRC) of 1997, as amended by the CREATE Act, provides that customs duty exemption on the importation of capital equipment, raw materials, spare parts, or accessories may be granted to registered projects or activities subject to the conditions of availment under Section 295(C) thereof.

Section 295(C) of the NIRC of 1997, as amended by the CREATE Act, provides that the customs duty exemption shall only apply to the importation of capital equipment, raw materials, spare parts, or accessories directly and exclusively used in the registered project or activity by RBEs subject to the condition that the items to be imported are not produced or manufactured domestically in sufficient quantity or of comparable quality and at reasonable prices.

Part II, Rule 2, Section 4(B)(3) of the IRR of the CREATE Act requires that, in compliance with the said condition, the Certificate of Non-Local Availability (CNLA) shall be secured from the Department of Trade and Industry (DTI).

Pursuant to Section 21 of the CREATE Act, the Secretary of Finance and the Secretary of Trade and Industry hereby promulgate these Guidelines.

2.0 Objective

This Joint Memorandum Circular (JMC) aims to facilitate the determination by IPAs that the capital equipment, raw materials, spare parts, or accessories for importation are not produced or manufactured domestically in sufficient quantity or of comparable quality and at reasonable prices, as provided under 295(C) of the NIRC of 1997, as amended by the CREATE Act and Part II, Rule 2, Section 4(B)(3) of its IRR.

3.0 Scope

Under Part II, Rule 2, Section 4(B)(3) of the IRR of the CREATE Act, all RBEs registered under the CREATE Act are required to secure the CNLA for their availment of the duty exemption on importation of capital equipment, raw materials, spare parts, or accessories, subject to the condition that the items to be imported are not produced or manufactured domestically in sufficient quantity or of comparable quality and at reasonable prices. RBEs granted duty exemption prior to the effectivity of the CREATE Act shall not be required to secure the CNLA from the concerned IPA, unless required under the IPA charter or existing laws prior to the effectivity of the CREATE Act.

4.0 Function of the IPA on the CNLA process

The IPA where the RBE is registered (concerned IPA) shall determine whether the items to be imported are not produced or manufactured domestically in sufficient quantity or of comparable quality and at reasonable prices.

Capital equipment, raw materials, spare parts, or accessories shall not be considered available in sufficient quantity if they cannot be made available to the qualified enterprises at the time needed or within a reasonable period.

In determining whether the quality is comparable, the test, among others, will be whether or not the registered activity will be adversely affected or the resulting product will be of lower quality, or the cost of operation will be increased.

In determining the reasonableness of the prices quoted by the domestic manufacturers, the concerned IPA may be guided by the import cost of such capital equipment, spare parts, raw materials, or accessories to be imported into the Philippines, which may include shipping costs and other incidental fees or charges, plus all applicable taxes and duties to be paid thereon, and a fifteen percent (15%) mark-up.

5.0 General Procedure

5.1 Where and when to file

The RBE shall file its request for the CNLA with the concerned IPA using the herein prescribed **CNLA Request Form (Annex A)** prior to its importation.

5.2 Documentary Requirements

The RBE shall attach the following documents to the duly filled **CNLA Application**:

- Copy of Purchase Order and/or invoice, and copy of Packing List; and
- Fabrication drawing of the parts/components, if applicable.

5.3 Filing Fee

The concerned IPA may collect a corresponding filing fee in the amount not exceeding PPh1,500.00 per request, provided, that a separate request shall be filed for every purchase order or invoice.

The CNLA shall be non-transferable and may not be used by another RBE different from the applicant.

5.4 Procedure for Referral to Industry Associations or Local Manufacturers

To determine the local availability of the capital equipment, raw materials, spare parts, or accessories sought to be imported, the concerned IPA shall refer to the relevant industry association/s or local manufacturer/s posted on the DTI website,

using the prescribed **Association Referral Letter (Annex B)**, for information on whether (i) the said items are locally manufactured or can be supplied by any of its member companies at comparable quality and reasonable price, and (ii) the volume being imported or required by the RBE can be supplied by the association members within the delivery period indicated by the foreign supplier.

For the purposes of these Guidelines, the failure of the relevant industry association/s or local manufacturer/s to provide the requested information within five (5) working days from the IPA referral shall be deemed that none of its members are locally manufacturing the said items or are manufacturing them but cannot match the RBE's required importation in terms of quality, quantity, price, and required delivery period. As such, the CNLA may be issued accordingly, which shall be used to satisfy the condition of non-local availability of the capital equipment, raw materials, spare parts, or accessories sought to be imported.

Nothing herein shall preclude the concerned IPA from denying an RBE's request for CNLA or the DTI from revoking an issued CNLA upon finding that the items covered therein are produced or manufactured domestically, in sufficient quantity, or of comparable quality, and at reasonable prices. Provided, that any revocation shall not affect the importation of items already ordered for shipment by virtue of the issued CNLA prior to the date of such revocation, subject to the provisions of Section 7.0 hereof.

5.5 Issuance of CNLA

Upon receipt of the required information from the relevant industry association/s or local manufacturer/s, the concerned IPA may, within three (3) working days therefrom, (i) issue the CNLA covering the items allowed to be imported; or (ii) notify the RBE of the denial of its request.

In case of the lapsing of the period referred to in 5.4 of these Guidelines, the concerned IPA shall issue the CNLA within three (3) working days from the lapse of the said period.

5.6 Forms

All forms under these Guidelines shall be prescribed by the DTI, in coordination with the FIRB Secretariat and IPAs.

5.7 Validity

The CNLA shall be valid for one (1) year from the date of issuance, unless sooner revoked by the concerned IPA or the DTI.

6.0 Submission of reports to the DTI- Competitiveness Bureau (CB)

All concerned IPAs shall submit to the DTI-CB a monthly Report on the CNLAs issued in the prescribed format, IPA report on CNLA issued (**Annex C**), every 5th day of the following month.

7.0 Revocation of the CNLA by the DTI

In case the CNLA is issued in violation of these Guidelines, the DTI may, upon due notice to the concerned IPA and DOF-RO, cancel the CNLA and endorse to the BOC for assessment of tax and customs duty and other applicable penalties. Provided, that the revocation of the issued CNLA shall not be applied retroactively if such will be prejudicial to the RBE who, in good faith, relied on the validity of the issued CNLA prior to its reversal.

Any official or employee of the concerned IPA who willfully or knowingly issue a CNLA in violation of these guidelines shall be subject to administrative and/or criminal penalties imposable under existing laws.

8.0 Transitory Provision

Pending the issuance and adoption by all IPAs of the Rules on the Issuance of Certificate of Authority to Import (hereinafter referred to as "CAI Rules") pursuant to the CREATE Act and its IRR, the following shall apply:

8.1 For projects registered under the CREATE Act, the CNLA requirement under these Guidelines shall be implemented by **01 July 2023**. As such, in the processing of Tax Exemption Indorsement (TEI), the DOF-RO and the BOC shall not require from RBEs the CNLA until 30 June 2023; and

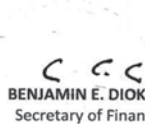
8.2 For projects registered prior to the effectivity of the CREATE Act, all IPAs shall continue to process CAI or List of Importables (LOIs) pursuant to their existing rules; *Provided*, that where the condition for non-local availability is required, the concerned IPA shall, pursuant to its existing process and requirements, indicate in the CAI or LOI, whichever is applicable, that the capital equipment, raw materials, spare parts, or accessories to be imported are not produced or manufactured domestically in sufficient quantity or of comparable quality and at reasonable prices. As such, in the processing of TEI, the DOF-RO and BOC shall no longer require from RBEs a separate CNLA.

9.0 Effect of the implementation of the CAI Rules


Upon the implementation of the CAI Rules, a separate CNLA will no longer be required for the availment of the customs duty exemption on the importation of capital equipment, raw materials, spare parts, or accessories by RBEs; *Provided*, that the concerned IPA shall, pursuant to these Guidelines, determine the non-local availability of the said importations at the time of filing by the RBE with the concerned IPA of its application for CAI; *Provided further*, that the concerned IPA shall, upon compliance with the procedure provided in these Guidelines, indicate in the CAI that the capital equipment, raw materials, spare parts, or accessories to be imported are not produced or manufactured domestically in sufficient quantity or of comparable quality and at reasonable prices; *Provided finally*, that the CNLA for said importation is deemed integrated into the CAI; as such, in the processing of TEI, the DOF-RO and BOC shall no longer require from RBEs a separate CNLA.

10.0 Repealing Clause. All existing rules and regulations or parts thereof that are inconsistent with the provisions of this JMC are hereby amended accordingly.

11.0 Effectivity. This JMC shall take effect immediately upon publication in a newspaper of general circulation. Three (3) copies hereof shall be filed with the Office of the National Administrative Register, University of the Philippines Law Center, Diliman, Quezon City pursuant to Presidential Memorandum Circular No. 11 dated 09 October 1992.



BENJAMIN E. DIOKNO
Secretary of Finance



ALFREDO E. PASCUAL
Secretary of Trade and Industry

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