NFA rice inventory drops to under two days' worth of consumption

THE rice inventory held by the National Food Authority (NFA) is currently equivalent to 1.56 days' demand, well below the nine days targeted by the agency, due to high domestic buying prices, the Department of Agriculture said.

Agriculture Assistant Secretary Rex C. Estoperez told reporters on Monday that the NFA's holdings totaled 50,000 metric tons (MT) as of July 27, considerably below the 300,000 MT level required to meet nine days' demand because private traders are outbidding the NFA.

The national daily consumption rate is equivalent to 679,670 bags or 33,983.5 MT, according to the NFA.

"As of now, it seems that the NFA is not able to buy from farmers because of the high price. The private sector can buy (unmilled rice, or palay) between P21-P23 per kilo (while) the NFA buys at P19," he said.

"*Istrikto kasi ang* NFA *sa kanyang tinatawag na* equivalent net weight (The NFA is strict in buying only equivalent net weight) as the P19 buying price is for clean and dry palay, while the private traders buy freshly harvested palay at P21-P23. The NFA cannot compete," he added.

Under Republic Act No. 11203 or the Rice Tariffication Law, the NFA has been stripped of its power to import rice and has been reduced to maintaining an emergency inventory from domestically-grown rice.

Mr. Estoperez said that the NFA Council will submit a recommendation to the President to reconsider the NFA buying price and measures to build up inventory.

The NFA Council is headed by President Ferdinand R. Marcos, Jr., who is also the Secretary of Agriculture, while NFA Administrator Roderico R. Bioco serves as vice-chairman.

Mr. Estoperez said that Mr. Marcos will meet with various agencies to discuss measures to increase rice stocks, including imports.

"Our inter agency group will update the President tomorrow whether to finalize (import deals), what volume, where to source, on a government-to-government basis," he said. — **Sheldeen Joy Talavera**

Budget dep't seeking to fully digitize gov't procurement process

THE Department of Budget and Management (DBM) said it is working on the full digitalization of public procurement.

In a statement on Monday, the DBM said its Procurement Service (PS) is shooting for "an efficient procurement system incorporating global best practices, including the complete digitization of all government procedures," Budget Secretary Amenah F. Pangandaman said.

"The procurement process, widely seen as the most daunting bottleneck in budget utilization due to alleged rampant corruption, interpretational ambiguities, and a lackluster capability to carry out procurement tasks within government agencies, causes service delivery delays," the DBM added.

The PS is also working on modernizing the Philippine Government Electronic Procurement System. Improvements include an integrated e-bidding system and electronic payment facility, among others.

"An efficient procurement system underpins effective public expenditure management and fast-tracks the delivery of optimal services to the public in a timely and cost-efficient manner," PS Executive Director Dennis S. Santiago said.

In his State of the Nation Address last week, President Ferdinand R. Marcos, Jr. called for a new government procurement law.

"I think the procurement law is too stringent. Even digitalization and payment systems are not provided for in the law," Ms. Pangandaman said.

The DBM is also working on implementing sustainable procurement practices.

"Green procurement is synonymous with responsible procurement. The integration of green solutions into the public procurement process brings us a step closer to our ultimate aim of promoting sustainable management and utilization of natural resources by 2030," Ms. Pangandaman added.

The DBM has recently met with the United Nations Development Programme to enhance procurement digitalization and analytics. — **Luisa Maria Jacinta C. Jocson**

Business group supports optional senior high

THE Management Association of the Philippines (MAP) expressed support for a measure that would make senior high school optional.

"We in the MAP support the bill introduced that seeks to examine the K-12 (Kindergarten to Grade 12) system and replace it with a K+10+2 act," MAP CEO Conference Committee Chairperson Alma Rita R. Jimenez told the House basic education and culture committee.

"The private sector (has a) continuing preference for hiring college or university graduates over those who finish K-12 primarily because those who finished Grades 11 and 12 still lack the competencies or skills at the level required for employment," she said.

Ms. Jimenez cited the need to streamline the K-12 curriculum "so that it can fully integrate technical and vocational education and training program to increase enterprise-based learning where the senior high school student will have more immersive experiences through certification training and exposure to actual work settings."

The committee was considering proposed amendments to Republic Act No. 10533 or the Enhanced Basic Education Act of 2013, which added two more years to basic education with the intent of making graduates employable and globally competitive.

Committee chairman and Pasig Rep. Roman T. Romulo said House Bill 7893 will propose "multiple education pathways," which will involve enhancing programs run by the Technical Education and Skills Development (TESDA), making these courses a more viable option for students after Grade 10.

"Meaning, when you reach Grades 10, 11 and 12, if you want to go to college, you'll be under DepEd (Department of Education). If you want to go to techvoc (technical and vocational education), then enroll in TESDA," he said.

"We will require TESDA to upgrade itself," Mr. Romulo added, noting that the agency mostly issues certifications for graduates of Customer Services NC II, a short course to train staff for department stores, supermarkets, fast food outlets, and specialty stores.

He added that only a few students receive the Bookkeeping NC III certification.

Ms. Jimenez added that TESDA should revamp its programs to make them "future-oriented" and to usher in digital transformation. Teachers and instructors should also undergo training, she noted. — **Beatriz Marie D. Cruz**

PHL businesses to participate in ASEAN Online Sale

PHILIPPINE BUSINESSES are set to participate in the ASEAN Online Sale Day (AOSD), the Department of Trade and Industry (DTI) said.

The DTI said in a statement on Monday that as of July 27, some 54 businesses are expected to join the event, which is scheduled for Aug. 8-22. The e-commerce event is intended to promote cross-border trade and economic collaboration within Southeast Asia.

The AOSD, started in 2020, is expected to boost economic ties in the region, increase consumer trust in e-commerce, and provide opportunities for micro-, small- and medium-sized enterprises.

According to the DTI, the Philippines has fielded the highest number of participating businesses in the AOSD since 2020. Last year, 120 e-commerce businesses from the Philippines participated in the event.

The DTI said that a consumer complaint mechanism will be available to mediate any complaints arising from transactions completed during the event.

An onsite edition of the event will take place in Semarang, Indonesia between Aug. 19 and 22. — **Revin Mikhael D. Ochave**

Travel fair claims P110 million worth of actual, potential sales

THE Tourism Promotions Board (TPB) said a travel fair which it organized in Cebu generated actual and potential sales of over P110 million.

The three-day 11th Regional Travel Fair at the SM Seaside City in Cebu featured 70 exhibitors. The TPB did not give a breakdown of sales actually booked as against sales under negotiation.

TPB Chief Operating Officer Maria Margarita M. Nograles said in a statement on Monday that the results of the fair "signal a bright future for the tourism industry in the post-pandemic era."

The TPB said its upcoming fair in Ilocos set for October could result in an even stronger performance.

"We desire and aim to play a major role in shaping the future of tourism by creating a one-stop shop venue for industry collaboration and partnerships," Tourism Undersecretary Shahlimar Hofer Tamano said. — **Revin Mikhael D. Ochave**

OPINION

What to expect from BIR tax mapping

LET'S TALK TAX
TRISHA AMOR M. GATDULA

Most of us welcome surprises for our birthdays, anniversaries, retirements, etc. However, as a taxpayer, would you still be delighted to receive a "surprise" from the Bureau of Internal Revenue (BIR), and if it's in the form of a visit to check your tax compliance? This "surprise" visit is known as the BIR Tax Mapping/Tax Compliance Verification Drive (TCVD).

Pursuant to Revenue Memorandum Order (RMO) No. 09-2006, TCVD aims to expand the tax base, enhance compliance, and consequently boost collection efforts. This is merely a verification of the taxpayer's compliance with basic administrative regulations and does not involve a thorough examination of books of account and other records.

As taxpayers, our usual question might be "What do the BIR's representatives usually check during the conduct of TCVD?" This article summarizes the items that the BIR usually looks for during "surprise" visits and penalties imposed for any noncompliance.

Certificate of Registration (BIR Form No. 2303) and Payment of Annual Registration Fee (BIR Form No. 0605)

BIR Form No. 2303, also called Certificate of Registration (CoR), gives the holder the legal right to operate a business in the Philippines. It serves as proof that a business is registered as a taxpayer with the BIR. Hence, taxpayers should ensure that they are registered with the BIR on or before the commencement of their business, before payment of any tax due, or upon filing of a return, statement or declaration as required in the Tax Code.

Additionally, per Section 236 of the National Internal Revenue Code (NIRC) of 1997, an Annual Registration Fee (ARF) in the amount of P500 for every separate or distinct establishment or place of business, including facility types where sales transactions occur, must be paid upon registration and every year thereafter on or before the last day of January. Payment of the ARF must be made using BIR Form No. 0605 to an authorized agent bank located within the revenue district, or to the revenue collection officer, or duly authorized treasurer of the city or municipality where each place of business or branch is registered.

BIR Form Nos. 2303 and 0605 must be posted in the taxpayer's place of business in areas conspicuous to the public.

"Ask for Receipt" signage or the new Notice to Issue Receipt/Invoice (NIRI)

The Notice to the Public/"Ask for Receipt" was first introduced by the BIR in Revenue Regulations (RR) No. 04-2000. Subsequently, this notice was replaced by the new Notice to Issue Receipt/Invoice (NIRI) pursuant to RR No. 10-2019. Taxpayers required to issue sales/commercial invoices and official receipts under existing rules are directed to post the notice in their places of business, including branches and mobile stores, in areas that are also conspicuous to the public.

As an update, in Revenue Memorandum Circular (RMC) No. 42-2022, as amended by RMC No. 75-2023, the old "Ask for Receipt" Notice issued by the RDO/LT Division to registered business taxpayers based on RR No. 07-2005 will be valid until Sept. 30, and must be replaced by the NIRI, which will be issued on a staggered basis to registered businesses on a timetable determined by the ending digit of their Taxpayer Identification Number (TIN).

Authority to Print (ATP) Invoices and Receipts (BIR Form No. 1906)

All persons, whether private or government, who are engaged in business must secure from the BIR an Authority to Print (ATP) principal and supplementary receipts/invoices. For newly registered taxpayers, the ATP must be secured simultaneously with the CoR. Fortunately, the previous five-year validity of the ATP receipts and invoices has been removed through the issuance of RR No. 06-2022 and will now have perpetual validity.

Registration of manual books of account/Approval of loose-leaf books of account

Taxpayers who use manual books of account, as provided in RMC 29-2019, must register their manual books before the deadline for filing of the first quarterly income tax return or the annual income tax return, whichever comes earlier. Meanwhile, loose-leaf books of account and other accounting records must be permanently bound and presented for registration together with a sworn statement attesting to the correctness of the entries made, and the number of all invoices, receipts, and books of account used for the period covered to the RDO/LTAD where the taxpayer is registered on or before 15 days after the end of each taxable year or within 15 days from the closure of business operations, whichever comes earlier.

Keep also in mind that books of account must always be kept at the place of business of the taxpayer. Such books and registers, together with records, vouchers, and other supporting papers and documents prescribed by the BIR, kept by taxpayers must be preserved intact, unaltered, and unmutilated.

Permit To Use (PTU) Cash Register Machines (CRM)/Point of Sale (PoS) Systems and Registration/PTU Computerized Accounting Systems (CAS)/Computerized Books of Account (CBA)

PTU CRM and PoS Systems must be secured first before the use of such systems. For new registrants, applications must be filed online using the Enhanced Electronic Accreditation and Registration (eAccReg) System for the Permit to Use and manually submitting the documentary requirements as provided in Annex B of RMO No. 24-2023. Once approved, the PTU can also be accessed on BIR's eACCReg System.

On the other hand, pursuant to RMC No. 05-2021, for new registrants, PTUs for CBA and CAS are no longer applicable. Taxpayers only need to register the CAS or CBA by submitting the documentary requirements listed in the issuance. Upon submission of complete documentary requirements, an Acknowledgement Certificate (AC) is to be issued by the RDO. This document must be kept by the taxpayer as proof that the system has been duly registered.

Meanwhile, existing PTUs for CRM, PoS, CAS, and CBA are now perpetually valid pursuant to RR No. 06-2022, unless the PTU was revoked due to tampering of sales data to alter/avoid the recording of sale transactions or any major repair, upgrade, integration, and modification/alteration without prior notification and approval by the BIR.

PENALTIES

If BIR representatives find out during TCVD that any of the abovementioned administrative requirements have not been complied with, the following compromise penalties, as listed in RMO No. 07-2015, might be imposed on the taxpayer:

- Failure to register with the BIR — P5,000 to P20,000
- Failure to pay and display ARF (BIR Form No. 0605) — P1,000
- Failure to display CoR (BIR Form No. 2303) — P1,000
- Failure to display "Ask for Receipt"/NIRI — P1,000
- Failure to attach or paste authorized sticker authorizing the use of CRM/POS/CAS — P1,000/unit
- Failure to present application form (BIR Form Nos. 1900 and 1905) to use registered sales books/permit to use loose leaf sales books — P1,000
- Failure to issue receipts or invoices — P10,000 to P20,000
- Refusal to issue receipts or invoices — P25,000 to P50,000
- Use of unregistered receipts or invoices — P20,000 to P50,000
- Use of unregistered cash registered machines and or components without a permit — P25,000/unit up to P50,000/unit
- Printing of receipts or invoices without authority from the BIR — P25,000 to P50,000

Further, avoidance of tax mapping/TCVDs or failure to comply with the BIR tax regulations can lead to more serious repercussions.

Complying with the BIR's numerous administrative requirements, along with the timely and proper remitting of taxes, can be quite overwhelming. Taxpayers may have a hard time memorizing these, and some might not even know that these requirements exist. But as the saying goes "ignorance of the law excuses no one." Hence, as responsible taxpayers and citizens, it is our duty to take note of these requirements and ensure that they are complied with, so we aren't too surprised when BIR representatives knock on our doors.

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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