

Fish import quota for Q4 set at 25,000 MT

THE Department of Agriculture said it will take in applications to import 25,000 metric tons (MT) of frozen small pelagic fish for wet markets in the fourth quarter.

In Memorandum Order No. 17, the DA outlined the procedures for obtaining sanitary and phytosanitary import clearances (SPSICs) for fish imports arriving no later than Jan. 15, 2025.

The DA said that at least 80%, or 20,000 MT, of the import allocation will go to commercial fishing companies, while the remaining 20%, or 5,000 MT, will be awarded to fisheries associations or cooperatives.

"The SPS Import Clearance under Certificate of Necessity to Import (CNI) 25,000 MT shall be issued on Sept. 1, 2024 until Nov.

30, 2024 and the fish to be imported must arrive no later than Jan. 15 of the succeeding year," the DA said.

It said an initial volume of 112 MT will be awarded to commercial fishing companies, equivalent to four containers.

"The remaining volume shall be distributed proportionately based on their percentage share

from the total volume of fish landings for the past three years immediately preceding an import period," the DA said.

For fisheries associations, the 20% quota will be allocated based on the percentage of arrivals they delivered before the import period.

"An initial volume of 56 MT which is equivalent to two

containers will be distributed to all qualified associations/cooperatives in this period," it added.

The DA also instructed the Bureau of Fisheries and Aquatic Resources (BFAR) to report and consolidate all imports.

"The importer is to source supply from respectable sources not derived from (illegal, unre-

ported, and unregulated) fishing," it said.

In addition, BFAR should also encourage importers to avoid releases to the market that compete with the domestic catch.

"Importers shall submit their complete and updated documentary requirements within seven working days from the issuance of the CNI," the DA added. — **Adrian H. Halili**

More monitors deployed to detect substandard construction materials

THE Department of Trade and Industry (DTI) said it will be deploying more teams to monitor the sale of substandard construction materials, calling their distribution "rampant" all over the country.

"Right now, we are working very closely with industry groups in cement and steel as one of our primary campaigns because the use of substandard construction materials is a consumer protection issue," Trade Assistant Secretary Amanda Marie F. Nograles said at a recent media briefing.

She said that the monitoring of materials like steel, cement, wood, and glass will be included in the scope of the DTI's Task Force Kalasag.

"Right now, more people are building homes, so there is a need for our heightened efforts against substandard construction materials," she added.

She said that some retailers are offering consumers a substandard option when buying construction materials.

As a result, "there will now be more teams. The DTI was given an additional budget for that. So, Task Force Kalasag, in

conjunction with the existing regional office and enforcement teams, will do the monitoring," she added.

The penalties for those caught selling substandard materials include confiscation of the products, fines of up to P300,000, or jail time if a prosecutor opts to pursue charges.

"That is the only penalty for deceptive sales that the DTI under the Consumer Act, which is a fine of P100,000 to P300,000. That is why we also want to review the penalties to really make them act as a deterrent," she said.

Asked where the substandard materials appear to be proliferating, she cited the National Capital Region, Calabarzon, and Central Luzon.

She said that the DTI is studying a plan to release a of brands and products consistently found to be offering substandard products.

"So that is the next step that we are exploring, if we could release a notice to the consumers about the brands that are substandard so that our consumers will be informed," she added. — **Justine Irish D. Tabile**

US-Japan minerals deal could attract bigger membership if PHL is admitted

By Justine Irish D. Tabile Reporter

THE Philippine proposal to join the US-Japan Critical Minerals Agreement may end up broadening the deal's membership, an analyst said.

"It is best to do a trilateral in a multipolar world. We can even broaden it to a quadrilateral, including Australia or even Canada, which are both active in the mining sector in the Philippines," according to Victor Andres C. Manhit, president of the Stratbase ADR Institute, speaking via Viber.

In a recent briefing, Trade Secretary Alfredo E. Pascual said that the Philippines has proposed to US and Japanese ministers a plan to sign up for the critical minerals agreement between Japan and the US.

By doing so, the Philippines will avoid the process of negotiating bilateral or one-on-one critical minerals agreements with the US.

However, Mr. Manhit said that the accession presents both opportunities and responsibilities for the Philippines.

"The abundance of critical minerals like nickel and copper is an opportunity to position the country as a major player in the emerging supply chain for digital technologies, electric vehicles, and innovations in clean energy," he said.

"The challenge is for the government and mining industry to develop our capacity to produce and serve what experts see as sustained demand for these metallic minerals as the world shifts to green transportation and clean energy generation," he added.

Mr. Pascual said that the proposal aims to increase US investments in mineral processing in the Philippines and help make global critical mineral supply chains more resilient.



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"Pursuing bilateral or even trilateral critical agreements with the US and Japan aligns well with the spirit of the recent trilateral summit and will encourage the influx of investments to accelerate the development of the Philippine mining industry," Mr. Manhit said.

"The support needed from linked industries and businesses will spark a multiplier effect, contributing to the economic growth of host communities through quality jobs and new revenue sources for the government," he added.

The proposal was presented at the Trilateral Economic Ministerial Meeting on April 11 between Mr. Pascual, US Commerce Secretary Gina M. Raimondo, and Japanese Minister of Economy, Trade, and Industry Ken Saito.

"By fostering these partnerships, the country can play a vital role in the global transition toward sustainable technologies and electric vehicles," Mr. Manhit said.

"I believe the current geopolitical environment provides strong impetus to engage in a synergistic critical mineral agreement with our friends, the US and Japan," he added.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said that the proposal was well-timed after the ministers committed to cooperating in security and foreign direct investment.

He said that if admitted, the Philippines can become a major source of minerals as more mineral users seek to de-risk their global supply chains.

"As the US and Japan diversify their sources of critical minerals and source more from the Philippines, that would lead to more mineral exports for the country, as well as investments for establishing or expanding critical mineral production and processing facilities in the country," he added.

BCDA dividends remitted to Treasury double to P1.1 billion off 2023 earnings

THE Bases Conversion and Development Authority (BCDA) has remitted P1.1 billion to the Bureau of the Treasury, doubling the dividends it remitted a year earlier.

This was compared with the BCDA's remittance of P527 million last year from earnings booked in 2022. The BCDA's dividends since its creation have amounted to P9.6 billion.

"The BCDA's higher dividend remittance to the National Government reflects its sustained good financial standing amid efficient revenue generation and expenditure management," BCDA President and Chief Executive Officer Joshua M. Bingcan said in a statement Wednesday.

"This year, we are remitting more than the share mandated

by the law as testament to our commitment to nation building," he added.

According to the BCDA, the P1.1 billion dividend it remitted this year represents 75% of its net earnings in 2023.

Under Republic Act No. 7656 or the Dividend Law, all government-owned and -controlled corporations (GOCCs) must remit

to the National Government at

least 50% of their net earnings as dividends.

The BCDA also remitted to the Treasury guarantee fees for the load of Subic-Clark-Tarlac Expressway and proceeds of its asset disposition program, which was distributed to beneficiary agencies including the Armed Forces of the Philippines.

In a separate statement, the BCDA said three of its projects

were among the high-impact projects offered to US and Japanese investors in the proposed Luzon Economic Corridor.

The Luzon Economic Corridor is a component of the Group of Seven Partnership for Global Infrastructure and Investment (G7 PGII).

A shared commitment between France, Germany, Italy, Japan, US, UK, and Canada, G7

PGII aims to advance investments in sustainable, inclusive, resilient and quality infrastructure by mobilizing up to \$600 billion in financing for low- and middle-income countries by 2027.

The three projects are the Subic-Clark Railway, the expansion of Clark International Airport, and the Clark National Food Hub. — **Justine Irish D. Tabile**

OPINION

New taxpayer classifications under the Ease of Paying Taxes Law

TAXWISE OR OTHERWISE
DOROTHY PUGUON

2024 ushered in a new tax law, the Ease of Paying Taxes or EoPT Law, or Republic Act No. 11976, which introduced a number of reforms, one of which was to classify taxpayers based on their gross sales.

The EoPT Law became effective on Jan. 22, and the Bureau of Internal Revenue (BIR) recently issued the implementing guidelines for classifying taxpayers under Section 21(b) of the National Internal Revenue Code (Tax Code). Revenue Regulations (RR) No. 8-2024 will take effect on April 27, or 15 days from its publication on the BIR website on April 12.

Taxpayers are now classified under four groups, depending on the level of gross sales for a taxable year:

A) Micro Taxpayers are those with gross sales of less than P3 million

B) Small Taxpayers are those with gross sales of between P3 million and less than P20 million

C) Medium Taxpayers are those with gross sales of between P20 million and less than P1 billion

D) Large Taxpayers are those with gross sales of P1 billion and above

For purposes of determining a taxpayer's classification, RR No. 8-2024 defines gross sales as total sales revenue during the taxable year, net of Value-

Added Tax (VAT) and without any other deductions.

The RR specifically provides that gross sales only include business income, or income earned by a taxpayer from the conduct of trade or business or the exercise of a profession. Compensation income earned under an employer-employee relationship, passive income under Sections 24, 25, 27 and 28, as well as tax-exempt income under Section 32(B) of the Tax Code, are all excluded from the computation of gross sales. With this clear guideline, taxpayers with multiple income sources need not worry about inadvertently falling under a higher classification since gross sales is categorically defined to include only business income.

As a rule, any person, whether an individual or a juridical entity, who wishes to engage in business or the exercise of profession, is required to register for tax purposes. Those taxpayers who will register from April 27 onwards, or upon effectivity of RR No. 8-2024, must indicate their initial classification in the

registration form. This means that new taxpayers would have to assess what their classification would be based on the expected or estimated gross sales of their new business.

This initial classification applies from the start of their registration until the taxpayer is reclassified by the BIR based on the gross sales thresholds described above.

RR No. 8-2024 also provides for transitory rules on the classification of taxpayers who were registered prior to April 27.

All taxpayers registered in 2022 and prior years are to be classified based on their gross sales for the taxable year 2022. While the RR did not specify, this presumably will be based on the Audited Financial Statements duly submitted by the taxpayer to the BIR.

If no information on their 2022 gross sales was submitted, taxpayers registered in 2022 and prior years will be initially classified as Micro Taxpayers, unless they are VAT-registered, in which case, they will be classified as Small Taxpayers. These same initial classification rules also apply to taxpayers who were registered in 2023 and in 2024 before the effectivity of RR No. 8-2024.

Similar to new taxpayers registered under RR No. 8-2024, existing taxpayers

may be reclassified by the BIR based on the threshold of their gross sales. All taxpayers are to be duly notified by the BIR of the reclassification before it can be effective. The manner or procedure for notifications have yet to be prescribed and will be released in a separate revenue issuance. Previously, taxpayers were notified of their classification or de-classification as a top withholding agent via publication in a newspaper of general circulation or posting in the BIR website. We have yet to see whether this same notification process will be applied to reclassifications of taxpayers under the EoPT Law.

The new classification of taxpayers, together with most of the reforms introduced by the EoPT Law, are a welcome development for taxpayers. It is likewise laudable that the taxpayer classification is expanded into four groups, with the EoPT Law being cognizant of the varying earning levels of taxpayers and widening the gap between a Micro Taxpayer and a Large Taxpayer. The new classifications are especially advantageous to Micro and Small Taxpayers as they are given special concessions such as a simplified income tax return (which is reduced to two pages), reduced 10% rate for civil penalties, and reduction on interest rates and certain fines and compromise penalties.

Now that the implementing rules for the tax reforms introduced by the EoPT Law have been released, taxpayers and tax officials alike can be properly guided. The EoPT Law's objective of improving tax administration efficiency and encouraging tax compliance on the part of taxpayers may soon be in full swing. In line with the intention of having a responsive tax administration that will cater to the various classes of taxpayers, I hope that the BIR does not limit itself to the concessions required under the law (two-pager ITR and reduced penalties). I sincerely hope that they allocate resources to formulate programs and other administrative measures that will give this taxpayer classification scheme additional relevance, particularly for micro and small taxpayers.

The views or opinions expressed in this article are solely those of the author and do not necessarily represent those of Isla Lipana & Co. The content is for general information purposes only, and should not be used as a substitute for specific advice.

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