EDSA Busway proposal review nearly complete

THE evaluation of the Megawide Construction Corp.'s unsolicited proposal for the EDSA busway system project is now nearing completion, the Public-Private Partnership (PPP) Center said.

"(The PPP Center) is actually on the tail end of the review process. We will be following up with them. The DoTr (Department of Transportation) needs to decide whether it will proceed to the next stage or return the proposal," Jeffrey I. Manalo, deputy executive director at the PPP Center, told reporters over the weekend.

Mr. Manalo was speaking on the sidelines of a seminar hosted by the Economic Journalists Association of the Philippines and San Miguel Corp. on Saturday.

Mr. Manalo declined to give further details about the PPP Center's review and what its recommendation might be.

Separately, Transportation Secretary Jaime J. Bautista has confirmed that the unsolicited proposal that the DoTr received was from listed Megawide Construction.

"The unsolicited proposal is being reviewed by the PPP Center. I understand the proponent still has pending documents they need to submit," Mr. Bautista said on the sidelines of a forum last week.

The DoTr hopes to complete the feasibility study for the EDSA Busway system within the year.

Earlier, the DoTr said the busway project is following a similar track as the privatization of the Ninoy Aquino International Airport (NAIA).

The NAIA PPP project is considered the fastest project to progress from submission to investment coordination committee approval to concession agreement signing.

The Transportation department said it expects to start the bidding for the EDSA PPP project in 2025.

The EDSA Busway Project involves the financing, design, construction, procurement of low-carbon buses, route planning, and operations and maintenance of the busway. — **Ashley Erika O. Jose**

DoF seen handling VAT claims in more 'taxpayer-friendly' way

By John Victor D. Ordoñez
Reporter

THE Department of Finance (DoF) Revenue Operations Group taking responsibility to handle value-added tax (VAT) refund claims may result in quicker processing and address delays under the Bureau of Internal Revenue (BIR), according to a tax professional.

"The experience of the taxpayers right now is that the BIR process is slow or tilted in favor of denying the tax refunds," Eleanor L. Roque, tax principal of P&A Grant Thornton, said in a Viber message.

She said the DoF may employ more efficient and taxpayer-friendly measures in processing VAT claims, cutting down delays previously seen with the BIR.

Senator Sherwin T. Gatchalian has filed a bill proposing to transfer the responsibility of processing VAT refunds to the Revenue Operations Group from the BIR, which has fielded many complaints from companies with stalled refund claims.

Senate President Juan Miguel F. Zubiri has said the Japanese companies threatened to leave the Philippines after finding it difficult to secure refunds.

The American Chamber of Commerce of the Philippines, Inc. has said VAT refunds for jet fuel purchases take as long as five years to resolve.

Under the Senate bill, the Finance Secretary will be in charge of approving refund claims for creditable input taxes, instead of the internal revenue commissioner.

The measure also ensures businesses are entitled to a VAT zero-rating on local purchases, provided they operate at 70% capacity.

Registered export enterprises are also given duty exemptions on imports of raw materials and spare parts for capital equipment.

"The BIR's task is to collect taxes so processing refunds or approving refunds is not ingrained in the BIR DNA," Ms. Roque said. "It's just against their interests to approve refunds."

DoE could grant power plants bigger allowance for outages

THE Department of Energy (DoE) said it is looking into allowing a longer plant shutdown period for maintenance.

"We should allow also the plants sufficient time to do their maintenance work. We're comparing the amount of time that we allow the plants to undertake those," Energy Secretary Raphael P.M. Lotilla told reporters last week.

Mr. Lotilla said cited the case of Japan, which allows longer maintenance periods.

"They will be able to take a deep dive to really inspect the different parts of the plant," he said.

The reliability index implemented since 2020 allows the Energy Regulatory Commission (ERC) to set the maximum days of planned and unplanned outages per year, varying by generating plant technology.

A power plant that runs on pulverized coal can be out of operation for 44.7 days. This comprises 27.9 days of planned outages and 16.8 days of forced or unplanned outages.

A power plant running on circulating fluidized bed technology should not be out of service for more than 32.3 days —including 15.4 days of planned outage and 16.9 days of unplanned outage.

Geothermal plants are only allowed to be out for 19.7 days, with six days for planned outages and 13.7 days unplanned.

In 2023, the ERC imposed approximately P60 million worth of penalties against generation companies for exceeding their outage maximums.

"Preventive maintenance is very important. And just like in aircraft, you have to have regular maintenance to be carried out and enough time to carry out the maintenance," Mr. Lotilla said.

Jose M. Layug, Jr. president of the Developers of Renewable Energy for Advancement, Inc., said that allowing power plants longer maintenance periods would "ensure that these aging power plants get the needed operational servicing for better performance."

"While this may not solve the short-term supply issue, this may help the power plants perform better in the long run," he said in a Viber message.

The ERC reported that five power generation companies exceeded the unplanned outage allowance as of April 30.

These are Masinloc unit 1 coal-fired thermal power plant and Sem-Calaca Power Corp. coal plant 2 in Luzon. — **Sheldeen Joy Talavera**

11 sites operated by YTS ordered blocked for alleged piracy, copyright infringement

ELEVEN DOMAINS and subdomains operated by YTS have been issued site-blocking requests for alleged piracy and copyright infringement by the Intellectual Property Office of the Philippines (IPOPHL).

In a statement sent over the weekend, the intellectual property (IP) rights watchdog said that the 11 sites associated with YTS have violated Section 216 of the Intellectual Property Code of the Philippines and Memorandum Circular 23-025, or the Rules on Voluntary Administrative Site Blocking.

"A thorough examination reveals that all of the aforementioned websites are hosting pirated versions of movies or TV shows, allowing users to access these illegal copies by downloading them through links on the same website or by streaming them online," according to the IPOPHL IP Rights Enforcement Office ruling.

The 11 sites — yts.mx, yts.rs, yts.do, ytsuproxy.to, yts.dirproxy.com, yts.unblocked.love, ytssss.jamsbase.com, yts.lt, yts.ag, yts.am, and torrents.yts.rs. — were found to have been using various methods to distribute copyrighted material.

"The websites under complaint are also listed in WIPO Alert, a data-sharing platform on piracy of the World Intellectual Property Organization," IPOPHL said.

YTS is the official home of YIFY, "one of the world's most prolific sites involved in the illegal replication and distribution of copyright content."

"Millions of netizens visit this website, so this is a major win for the creative industry. We encourage more stakeholders to come forward, file a complaint, and further disrupt access to piracy websites," IPOPHL Director General Rowel S. Barba said.

According to IPOPHL, the issuance stemmed from a complaint filed by the Motion Picture Association, which reported the site in 2015 to house 4,500 infringing motion picture titles.

FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link <tinyurl.com/287zekf6>

"This site blocking order and forthcoming blocking actions will have a substantial impact on the Philippine piracy landscape. We will continue to work closely with the Philippines' government and creative industry in the fight against the scourge of digital piracy," the MPA said in a statement.— **Justine Irish D. Tabile**

OPINION

The evolving role of financial controllers

IN BRIEF:

• *The traditional duties of financial controllers, which used to focus on historical financial reporting and regulatory compliance, now demand a broader range of skills and responsibilities.*

• *Modern controllers must excel in accounting and be capable of managing data, participating in strategic corporate conversations, and acting as reliable counselors.*

SUITS THE *C*-SUITE
AARON C. ESCARTIN

The financial controller role has progressed into one that focuses on directing and ensuring the achievement of value, positioning them at the core of financial strategy.

The financial controller role has transformed dramatically, with emerging technologies and advanced data analytics, along with the growing importance of environmental, social, and governance (ESG) considerations, introducing a fresh perspective to company planning. The duties of financial controllers, which used to focus on historical financial reporting and regulatory compliance, now demand a broader range of skills and responsibilities.

Their responsibilities have broadened beyond basic bookkeeping — they are now expected to adopt a proactive and visionary mindset, taking on the role of strategic business overseers. Modern controllers must be well-versed in a variety of competencies; they must excel in accounting and be capable of managing data, participating in strategic corporate conversations, and acting as reliable counselors. Their role has progressed into one that focuses on directing and ensuring the achievement of value, positioning them at the core of financial strategy.

The increasing need for real-time and predictive financial reporting has been a major catalyst for this shift, with the role now including elements of financial planning and analysis (FP&A). Though controllers used to focus on internal transactional duties, technological advancements and evolving business expectations are pushing the role to become more extroverted.

INCORPORATING ESG INTO FISCAL PLANNING

As ESG factors gain prominence in corporate planning and risk evaluation, it is essential for controllers to weave them into the fabric of financial forecasting and disclosure practices. This integration should be in harmony with the company's sustainability objectives and effectively communicated to all stakeholders.

Some organizations are now appointing ESG-specific controllers, positioning the controllership role at the vanguard of this pivotal strategic initiative. With the growing need for verified ESG reporting, controllers are well-placed to spearhead this domain within their companies. This marks a considerable shift from previous times when compliance with statutory or similar regulatory reporting might not have been at the forefront of many corporate controller agendas.

Familiarity with non-financial reporting standards, such as those set by the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB), is becoming indispensable. These standards provide a blueprint for evaluating and disclosing sustainability efforts, tasks that now fall under the purview of financial controllers.

In a globally intertwined business environment, the challenge lies in ensuring adherence to a variety of regulations across various markets while keeping financial management practices consistent with both international benchmarks and local mandates. Controllers are expected to perform thorough due diligence and maintain a comprehensive international outlook to protect the company's cross-border activities.

The controllership should embrace a "glocal" (globally local) operational framework, capitalizing on centralization to enhance value while also ensuring that compliance, resilience, and risk management are supported at the local level. This new model for controllers aims to strike a balance between shared services and business partnership roles, with compliance functions remaining centralized. To adapt effectively, controllers must integrate strategies that utilize technology and data to streamline and standardize processes, all while upholding a local presence that supports compliance and risk oversight.

In the era of digital finance, the sheer volume and velocity of financial data add unprecedented complexity to the task of ensuring precision in financial reporting. Controllers have the critical responsibility of guaranteeing that financial statements are free of material misstatements and reflect a true and just representation of the company's financial status. The rapid evolution of technology and regulatory frameworks demand that financial controllers dedicate themselves to continuous learning, enabling them to anticipate trends and challenges by adapting their knowledge and practices to stay relevant and efficient.

EXPANDING THE FINANCIAL CONTROLLER ROLE

The expanding role of the financial controller now encompasses a more prominent role in strategic decision-making processes, including steering investment approaches, navigating risk, and pinpointing growth opportunities. They are emerging as pivotal figures in formulating business strategy, charged with navigating their companies through market volatility with a decisive grip on fiscal instruments.

Moreover, they must master sophisticated financial software platforms that not only simplify financial processes but also unlock the potential for detailed data analysis. Controllers must become fluent in the language of technology, providing a nuanced perspective on the financial well-being of the company, and facilitating predictive insights. They should approach their role with an open mind and curiosity, ready to embrace new tools, functionalities, and technologies. At the same time, they must exercise discernment in choosing technologies that are appropriate for their organization and specific circumstances.

Controllers must cultivate a dual expertise: a deep grasp of financial principles coupled with skills in data analytics. With these capabilities, they can translate intricate data into clear insights, formulate corporate strategies, spur innovation, and promote ethical leadership. By nurturing sustainable business operations and maintaining the integrity of financial disclosures, controllers establish themselves as vital consultants within their organizations, equipped to manage the intricacies of today's business landscape.

From traditional bookkeepers, financial controllers can become "value articulators" — guardians of value delivery who evaluate the financial outcomes of investments. Today's controllers transcend transactional duties, embracing data and technology with a forward-looking mindset crucial for steering sound decisions, ensuring regulatory adherence, and propelling the organization towards resilience and expansion.

PREPARING FOR THE FUTURE OF CONTROLLERSHIP

To navigate the evolving landscape of controllership and prepare for its future, financial controllers must proactively refine their expertise and adapt to new challenges. A commitment to continuous professional development is essential, with a focus on acquiring knowledge in data analytics and mastering advanced financial software platforms. Controllers should immerse themselves in the latest fintech innovations, selecting tools that align with their company's specific needs. This discernment will ensure they remain competitive, leveraging automation and predictive analytics to drive business success.

Additionally, understanding and integrating ESG principles into financial strategies is becoming increasingly important. Controllers should become well-versed in non-financial reporting frameworks, enabling them to align financial strategies with sustainability goals and communicate these efforts effectively to stakeholders.

In our interconnected global economy, maintaining awareness of international regulations is paramount as well. Controllers must develop strategies that ensure compliance across various markets while harmonizing financial management practices, safeguarding company operations across borders. Cybersecurity vigilance is another critical area. Financial controllers must prioritize financial data security, implementing robust data governance measures and staying informed about the latest cybersecurity best practices to protect the company's financial information and reputation.

Finally, controllers should actively engage in strategic business discussions and investment decisions. By doing so, they position themselves as chief value officers and vital business partners, contributing significantly to the company's strategic direction and value creation. This strategic business involvement ensures that controllers are not just number crunchers — but key players in shaping the future of their organizations.

This article is for general information only and is not a substitute for professional advice where the facts and circumstances warrant. The views and opinions expressed above are those of the author and do not necessarily represent the views of SGV & Co.

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