

Maynilad sees no interruption to water services during May 1-15 period

MAYNILAD Water Services, Inc. said there will be no water interruption in its service area during the May 1-15 period, after regulators maintained the capital's raw water allocation from Angat Dam at 50 cubic meters per second (cms).

The National Water Resources Board (NWRB) maintained the 50 cms allocation of the Metropolitan Waterworks and Sewerage System (MWSS), Maynilad said in a statement on Thursday.

The company said that its supply outlook does not include

scheduled and emergency maintenance activities.

However, "increasing water demand could lead to lower network pressure... unless consumers work together to manage their water consumption," the company said.

Maynilad has called for consumers to conserve water to maximize the stored water in Angat Dam "until the rainy season."

"Even before the El Niño phenomenon set in last year, we have been developing alternate water sources to augment the growing water requirement of customers,"

Maynilad Corporate Communications Head Jennifer C. Rufo said.

"These alternate sources are now being fully utilized, so we ask consumers to also reinforce this effort by using water wisely," she added.

Angat Dam is the main source of water for Metro Manila and nearby provinces, accounting for about 90% of the capital's potable water.

As of Thursday morning, the water level in Angat Dam was 187.13 meters, down from 187.65 meter reading the previous day.

Patrick James B. Dizon, manager of MWSS' water and sewerage management department, said at a televised briefing that the water level falls at an average of 41 centimeters per day.

"We welcome this decision as maintaining our current raw water supply is crucial to meet the increasing demand of our customers in light of the rising heat index in Metro Manila," Dittie L. Galang, head of corporate communications of the capital's other water concessionaire, Manila Water Co., Inc., said in a Viber message.

Ms. Galang said that Manila Water is still operating at reduced water pressures between 10 p.m. and 4 a.m. "to help extend the limited supply."

"We are also calling on our customers to continue practicing responsible use of water, avoid water wastage and seize opportunities to reuse," she said.

Maynilad serves the cities of Manila, except San Andres and Sta. Ana. It also operates in Quezon City, Makati, Caloocan, Pasay, Parañaque, Las Piñas, Muntinlupa, Valenzuela, Navotas, and Malabon. It supplies the cities

of Cavite, Bacoor, and Imus, and the towns of Kawit, Noveleta, and Rosario, all in Cavite province.

Metro Pacific Investments Corp., which has a majority stake in Maynilad, is one of three Philippine units of Hong Kong-based First Pacific Co. Ltd., the others being Philex Mining Corp. and PLDT Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has an interest in *BusinessWorld* through the Philippine Star Group, which it controls. — **Shelden Joy Talavera**

El Niño farm damage hits P5.9 billion

AGRICULTURAL damage caused by El Niño has been estimated at P5.9 billion, according to the Department of Agriculture (DA).

In a bulletin, the DA said that volume losses of farmed commodities was 255,467 metric tons (MT), with rice the most affected crop, accounting for 53.2% of the total.

The dry conditions brought about by El Niño has impacted 113,585 farmers and fisherfolk. The farmland affected by the dry spells was 104,402 hectares.

Damage and loss to rice amounted to 123,350 MT, valued at P3.14 billion. The affected farmland spanned 58,226 hectares.

The DA said that 67.67%, or 39,402 hectares were partially damaged, while 32.33% or 18,824 hectares sustained total crop damage.

The hardest-hit province was Iloilo, where losses were valued at between P500 million and P600 million, followed by Palawan at P350 million to P500 million.

"Most of the damage and losses were to rice in the reproductive and maturity stages," it added.

Palay production during the first quarter dropped 2% to 4.69 million MT, according to the Philippine Statistics Authority (PSA).

The quarter's result was slightly lower than the 4.82 million MT the PSA

projected based on the standing crop as of March 1.

Damage to corn was estimated at 98,937 MT and valued at P1.76 billion. The affected area planted to corn was 39,407 hectares, or 29.8% of the total.

The DA added that the total volume loss for high value crops was 26,826 MT over 6,744 hectares of farmland. The value of the losses was estimated at P958.06 million, or 16.23% of the total.

Damage to fisheries was valued at P22.83 million, with 2,261 fisherfolk affected.

The DA said that it provided P2.18 billion worth of assistance to address the adverse effects of El Niño.

PAGASA (Philippine Atmospheric, Geophysical and Astronomical Services Administration), the government weather service, said El Niño is currently weakening, with its effects projected to last until August.

PAGASA said that about 41 provinces were in drought as of the end of April, with 23 undergoing dry spells.

On Monday, Science and Technology Secretary Renato U. Solidum, Jr. said that drought conditions will persist as El Niño into La Niña.

PAGASA said there is a 62% probability that La Niña will develop between June and August. — **Adrian H. Halili**

PHL negotiator says GSP+ expiry hanging over EU free trade

By Justine Irish D. Tabile *Reporter*

A FREE trade agreement (FTA) with the European Union (EU) needs to be concluded by the time the Philippines' current market access arrangements expire, the government's chief trade negotiator said.

Trade Undersecretary Allan B. Gepty told reporters that the EU's Generalised Scheme of Preferences Plus (GSP+) scheme currently gives Philippine products preferential access to the EU.

GSP+ comprises a set of trade concessions granted by Europe to developing countries that meet its criteria for human rights, labor rights, sustainable fishing, and other international norms.

"While it has been extended up to December 2027 and we are waiting for the new GSP scheme, the fact remains that the Philippines will reach the threshold of upper middle-income status and will no longer be qualified as a beneficiary of the EU GSP+," he said.

"(That) means that we have to really fast track the FTA negotiations so that, in terms of trade, particularly exports, there will be no disruptions to our stakeholders or exporters because

we want to maintain, at the very least, the same level of preferential arrangement," he added.

The Philippines currently participates in the EU's special incentive arrangement for low and lower middle-income economies, in which zero duties are collected on 6,274 Philippine-made products.

Meanwhile, the Philippines and the EU announced in the first quarter the formal resumption of the negotiations for an FTA, which were halted in 2017 due to the EU's concern over the policies of the Duterte administration.

The FTA is expected to increase bilateral trade by 6 billion euros and help attract more European investment to the Philippines, Mr. Gepty said.

"In terms of investment, this is what the European investors are looking for and also, I would say, anticipating because they want a more stable and predictable business environment," he said.

"This can be done when (the Philippines) commits to rules and disciplines in the process of investment, services, sustainable development, competition, and intellectual property, among others," he added.

Chris Humphrey, executive director of the EU-ASEAN Business Council,

told *BusinessWorld* that the Philippines may lose its GSP+ privileges for no other reason than the country's own economic development.

"The thing with the GSP+ is that it is time-limited, and a lot of it is tied to your own economic development. And with the Philippine economy growing quite rapidly, at some point in the not too distant future, you will lose GSP+ privileges in any case," Mr. Humphrey said.

"It's just a question of when, not a question of if. And the FTA will mean that you maintain that preferential access to the European market; therefore, it's very important for the Philippines," he said.

However, he said that the Philippines and the EU should work together to make sure that the FTA is properly utilized.

"This is a problem with many trade arrangements. And the problem really lies in businesses not understanding the preferences that are available to them," he said.

"Unfortunately, for many trade deals, businesses don't always know about them or don't know how to utilize them. So we need a lot more communication around that; it's a job for governments, and it's also a job for business associations like ourselves to alert people of it," he added.

Meanwhile, Mr. Gepty said that the government has conducted trade policy dialogues with stakeholders and plans to raise rules of origin issues in the negotiations, which have been a concern for exporters.

"In every negotiation, as much as possible, if it is in your interest, you really have to negotiate for the most liberal rules of origin," he added.

Mr. Humphrey said a resolution will depend on how the negotiations go, as preferential trade access to any market requires countries to meet specific rules of origin requirements.

"Now, often in trade agreements, the rules of origin will say that a certain percentage of the value of the goods needs to be originating in the Philippines before it goes to the EU," he said.

"So the question is, how much can they (the Philippine negotiators) drive that percentage figure down, and what are the requirements then to prove that value? So it will come down to the details of the negotiation in that case," he added.

According to Mr. Gepty, the formal negotiations are expected to start by October, while initial meetings at the chief negotiator level have started.

OPINION

Compliance change on invoicing under EoPT

TAXWISE OR OTHERWISE
DELILA DAYAG

the words "THIS DOCUMENT IS NOT VALID CLAIM OF INPUT TAX."

Alternatively, taxpayers that have unused and unissued ORs may opt to convert these to invoices by striking out the word "Official Receipt" in the OR and stamping it with "Invoice", "Cash Invoice", "Charge Invoice", "Credit Invoice", "Billing Invoice", "Service Invoice" or any name describing the transaction. The converted ORs can be issued as a primary invoice until Dec. 31, and thereafter may be used only as supplementary receipts. This does not require prior approval from the BIR, but there is a need to report the inventory of the unused receipts to the BIR within 30 days of the effectivity of the regulations, or until May 26.

Second, taxpayers using BIR-registered Cash Register Machines (CRM), Point of Sale Machines (PoS), e-receipting or e-invoicing software are allowed to change the words "Official Receipt" to "Invoice" or any name describing the transaction without the need to notify the BIR. This change is considered a minor system enhancement; thus, it does not require the reaccreditation of sales software nor reissuance of the Permit to Use. However, a notice indicating

the starting serial number of the converted invoice has to be submitted to the BIR office where the machines are registered.

As this change is expected to be minor, it can be implemented immediately. Documents issued by CRM, PoS and e-receipting or electronic invoicing software containing the word "Official Receipt" beginning April 27 are not considered valid.

Third, unlike the conversion of ORs to Invoices in the BIR-registered CRM, PoS and e-receipting or electronic invoicing software, which is a minor system enhancement, the changes to be introduced in the Computerized Accounting System (CAS) or Computerized Books of Account (CBA) require a major enhancement and update of registration following the existing policies and procedures of filing a new application.

In order to provide ample time in re-configuring machines and systems, adjustments should be undertaken on or before June 30; any extension requires an approval not to exceed six months from the effectivity of the regulations, or until Oct. 27.

Do note that the issuance of an invoice is required upon collection of receivables arising from services on account that are rendered prior to the effectivity of the regulations. So, in addition to the billing documents issued before April 27, an Invoice must be is-

sued upon receipt of payments from the said receivables.

To summarize the timelines:

1. Taxpayers using manual official receipts are required to use or issue invoices by July 1;
2. Taxpayers using CRM, PoS, e-receipting and e-invoicing software are required to issue an "Invoice" starting April 27 since the "Official Receipts" issued by these machines or softwares shall no longer be considered valid; and
3. Taxpayers using CAS or CBA have until June 30, which is extendible to Oct. 27, to reconfigure or adjust their systems to comply with the requirement.

RR 7-2024 appears to have shortened the period provided under the EoPT Act for taxpayers to comply with the changes introduced by the law. The transitory provisions of the EoPT Act provide taxpayers six months from the effectivity of the implementing rules or until Oct. 27 to comply with the amendments of the Tax Code, which covers the invoicing requirements.

Notably, RR 7-2024 states that the use of "Official Receipts" for the sale of goods or services after June 30 will not be considered evidence of sale of goods or services and equivalent to failure to issue an invoice. The regulations also declare that the ORs issued from CRM/POS beginning April 27 are not considered valid support for input tax claims

Tobacco farmers press for signing of 'economic sabotage' bill before SONA

TOBACCO growers expressed support for the Anti-Agricultural Economic Sabotage Act, citing the need to address unfair competition from smuggled tobacco products, and asked the President to sign the measure before he addresses Congress in July.

"We believe the bill will help prevent the smuggling of agricultural products and will deter these criminals," Bernard R. Vicente, chairman of the National Federation of Tobacco Farmers Association and Cooperatives (NAFTAC), said in a statement.

The House of Representatives passed House Bill No. 9284, also known as the "Anti Agri-Fishery Commodities and Tobacco Economic Sabotage Act" on Sept. 27, 2023. The Senate also approved a similar measure on Dec. 11.

Philippine Tobacco Growers Association (PTGA) President Saturnino Distor said that tobacco farming is vital to food security since their members also farm rice, corn, and other primary crops.

"The bill is urgently needed since the agricultural sector is reeling from rampant smuggling that threatens farmers and millions of their dependents," he added.

According to the National Tobacco Administration, there are currently 2.2 million people financially dependent on tobacco including more than 430,000 farmers, farm workers and their family members.

"We hope that Congress can finally have a Bicameral Conference Committee so it can be signed by President Marcos before his (State of the Nation Address). This is one of the priorities of his administration and a big help to us farmers," Mr. Distor said.

The President's home region of Ilocos is a major producer of tobacco.

The Samahang Industriya ng Agrikultura estimates that the government loses at least P200 billion in revenue annually due to smuggling. — **Adrian H. Halili**

by the purchaser. This is tantamount to penalizing the purchaser for the compliance faults of the seller.

While the EoPT Act penalizes the seller for failure to comply with invoicing requirements, it is lenient on buyers as to claiming input taxes in relation to some missing details in the invoices. It may be reasonable to adopt the same principle or leniency to the purchasers during the invoicing transition. After all, the buyers have no control over the compliance of the sellers.

I hope the BIR will revisit these points to align with the EoPT Act.

Clearly, businesses are currently experiencing the effect of compliance change brought about by the EoPT Act. As this is meant to provide ease or relief to taxpayers, one hopes that this would be easy and smooth and not as aggravating the effects of climate change.

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