

KADIWA stores to offer P20 subsidized rice for vulnerable consumers

GOVERNMENT-BACKED stores selling produce at less than market prices will carry P20-per-kilo rice starting May 2, days before the midterm elections, the Department of Agriculture (DA) said.

“High-quality” rice will be sold at P20 per kilo to selected beneficiaries at KADIWA centers or by local government units (LGUs), the DA said.

Eligible purchasers include “indigents, senior citizens, solo parents, and persons with disabilities,” the DA said. They will be entitled to purchase 30 kilos per month.

The rice will be procured by Food Terminal, Inc. from the

National Food Authority (NFA), which holds reserves of 7.56 million bags, the DA said.

The NFA’s five-year high reserve level is equivalent to 10 days’ demand.

For the pilot run, participating LGUs that help pay for the subsidy may make the rice available to all households in their community regardless of whether they belong to the vulnerable segments of society, according to DA.

It did not say which outlets will offer P20, but said LGUs in the Visayas and selected locations like San Juan City, San Jose del Monte, Bulacan, Camarines Sur,

and Mati, Davao Oriental have joined the program.

Hansley A. Juliano, who teaches political science at the Ateneo de Manila, said the the new initiative — just a few days after the DA announced the P20 rice pilot program in the Visayas — may be an effort by the Marcos administration to gain more support ahead of the May 12 midterm elections.

“This feels like ‘cramming the submission,’” he said via chat.

Mr. Marcos ran on a campaign promise to bring the price of rice down to P20 per kilo.

“If they could have genuinely done it as a policy, why (launch

it) on the eve of elections?” Mr. Juliano said.

OCTA Research Fellow Frederico P. David said the rush to implement the P20 rice program may still have an impact on voting preferences.

“Maybe around 20% of voters will put this in their consideration,” he said, noting that socio-economic classes D and E are “particularly likely to be influenced” by the rice initiative and other similar programs.

The DA said the new initiative for KADIWA markets “aligns” with its food security emergency declaration.

The emergency, declared in late January, allows the NFA to release stocks to government agencies, LGUs, and KADIWA markets.

In the face of rising costs, the government has also imposed a maximum suggested retail price for rice.

“With world market prices now averaging just \$300 per metric ton — down from a high of over \$700 — and with NFA buffer stocks at their strongest in years, we felt the conditions were finally right to launch,” Agriculture Francisco Tiu Laurel, Jr. said.

Prices of rice in Metro Manila markets ranged from P39.99 to P58.17 per kilo from April 21 to April 24, according to DA price monitors.

The Commission on Elections has exempted the P20 rice program from the spending ban in force ahead of the polls.

IBON Foundation over the weekend said the program is unsustainable, urging the government to prioritize programs that raise farm productivity.

The DA said NFA Administrator Larry Lacson has directed his procurement staff to purchase as much palay (unmilled rice) as possible at P18 to P24 per kilo “to help boost farmers’ incomes.” — **Kyle Aristophere T. Atienza**

Pangandaman sees no need to revise DBCC growth target

BUDGET Secretary Amenah F. Pangandaman said on Monday that she sees no need to revise the government’s 6-8% gross domestic product (GDP) growth target this year.

Asked if she expects major revisions to the growth outlook this year, Ms. Pangandaman, who chairs the Development Budget Coordination Committee (DBCC), told reporters: “No, not yet.”

Ms. Pangandaman said the Philippines will not be significantly affected by US President Donald J. Trump’s tariffs, citing an earlier estimate of a 0.1% possible adverse impact on GDP in the next two years issued by the Department of Economy, Planning, and Development (DEPDev).

“I think, not based on the data that I saw from NEDA (DEPDev’s predecessor, the National Economic and Development Authority). But it’s just very rough data that they crunched. The impact is small. I think it’s less than 1%,” she said on the sidelines of a DBM event.

The DBCC meeting is provisionally scheduled for this month.

DEPDev Secretary Arsenio M. Balisacan has said that it may be unrealistic to expect to hit the upper end target amid global uncertainty over US tariff policy.

Philippine goods entering the US face a 17% tariff, the second lowest in the Association of Southeast Asian Nations (ASEAN) after Singapore was assigned a baseline rate of 10%.

However, the new tariffs have been suspended, except for those imposed on China, until July.



PHILIPPINE STAR/ RYAN BALDEMOD
DEPARTMENT of Budget and Management Secretary Amenah F. Pangandaman and Department of Economy, Planning, and Development Secretary Arsenio M. Balisacan during the ceremonial signing of the Joint Memorandum Circular on strengthening the Program Convergence Budgeting approach and the creation of the PCB Steering Committee last March 6.

“All other things being equal, we expect the new policy to weigh negatively on net exports as a direct effect, and on consumption, employment, and the fiscal balance as second-round effects,” Ms. Pangandaman said in a separate e-mail to *BusinessWorld*.

Last year, the Philippines exported \$12.14 billion worth of goods to the US.

“As an exporting country to the US, the additional tariffs may result in the lowering of prices of exported goods to make them more competitive when compared to other countries exporting the same,” she said.

Trade Secretary Ma. Cristina A. Roque has said that the tar-

iffs are not a major worry as the Philippines has one of lowest rate compared to its regional peers.

Ms. Roque and Secretary Frederick D. Go, the Special Assistant to the President for Investment and Economic Affairs, will be in Washington between April 29 and May 2 for tariff talks with their US counterparts.

Ms. Pangandaman said she hopes the first quarter GDP will be “higher than what is expected” due to election campaign activities.

“But then, let’s be a little conservative because there are projects and programs that are withheld because of the for-later-release (FLR) funds and the election ban,” she said.

Mr. Balisacan and Finance Secretary Ralph G. Recto both expect the first quarter growth to hit 6%, which would exceed the revised 5.9% expansion in the first quarter of 2024.

The Philippine Statistics Authority (PSA) will release first-quarter GDP data on May 8.

Asked about recent developments on the 2026 budget preparations, she said: “We are looking for fiscal space.”

“There are a lot of programs and projects that our cabinet members want to pursue next year... And, of course, it’s the second half of the administration. So, we want more output from their departments,” she added.

Ms. Pangandaman said the Tier 1 proposals have been submitted.

“The Tier 1 ceiling of government agencies for FY 2026 amounted to P3,863.77 billion, which is higher by 14.3% or P483.41 billion when compared to Tier 1 ceilings for FY 2025,” she said.

Meanwhile, the Tier 2 proposal submissions are ongoing and may have exceeded last year’s P9 trillion.

The DBM is currently in the process of reviewing submissions of agency budget proposals for Tier 2 in time for the agency’s Executive Review Board Hearings in May.

In 2026, the overall National Expenditure Program will hit a record P6.793 trillion, up 7.38% from the budget bill signed in 2025. — **Aubrey Rose A. Inosante**

LRTA Q1 revenue P349M as rider volumes climb

THE Light Rail Transit Authority (LRTA), which operates Light Rail Transit Line 2 (LRT-2) said first-quarter revenue rose 9.1% to P349.79 million on passenger volumes rose.

Passenger traffic for the three months to March was 14.35 million, up 7.7% from a year earlier.

LRTA revenue was P349.79 million, marking the second year in which it exceeded the P312.81 million pre-pandemic bench-

mark in the first quarter of 2019.

For 2025, LRTA is expecting revenue of P1.38 billion.

This year, LRTA expects passenger volume of 57.15 million. If realized, this will surpass its pre-pandemic passenger tally of 56.98 million in 2019.

In 2024, LRTA gross revenue from rail operations was P1.27 billion, up 15.5% and exceeding the target of P1.2 billion. — **Ashley Erika O. Jose**

NCR March retail price growth lowest since 2020

RETAIL PRICE growth of general goods in the National Capital Region (NCR) eased to a 58-month low in March, the Philippine Statistics Authority (PSA) reported.

Citing preliminary data, the PSA said price growth in Metro Manila, as measured by the general retail price index (GRPI), slowed to 1.1% year on year in March, from 1.3% in February.

This was also significantly slower than the year-earlier growth rate of 2.1%.

The March indicator was the weakest reading since the 0.6% reported in May 2020.

In the first quarter, GRPI growth averaged 1.2%, cooling from the 2.2% rate a year earlier.

“The primary driver of the slower year-on-year change of the GRPI in NCR was the lower annual increment in the heavily weighted food index at 1.4%

during the month from 1.6% in February 2025,” the PSA said.

The food subindex accounts for 37.5% of the GRPI.

The PSA also said that the index of mineral fuels, lubricants and related materials also contributed to the GRPI downtrend, decelerating further by 2.6% from a 1.3% decline previously.

Slower price growth was also seen in beverages and tobacco (3.6% from 3.9%), crude materials, inedible except fuels (0.6% from 0.8%), chemicals, including animal and vegetable oils and fats (2.1% from 2.2%), manufactured goods classified chiefly by materials (1.0% from 1.1%), and miscellaneous manufactured articles (1.0% from 1.1%).

Growth rates for the machinery and transport equipment subindex remained stagnant at 0.2%. — **Pierce Oel A. Montalvo**

OPINION

Transfer pricing reminders post ITR filing

Kudos to all taxpayers and their finance teams who successfully finalized and filed their income tax returns (ITRs) on time! To all accountants, you deserve hearty congratulations for a job well done. Take a much-deserved break to recharge and relax.

However, when you return to work and regain your energy and enthusiasm, I would like to remind all finance teams about some important transfer pricing reminders post-ITR filing.

FILING OF RELATED PARTY TRANSACTION FORM

The filing of the Related Party Transaction Form or RPT Form (BIR Form No. 1709), is mandatory for those taxpayers enumerated in Revenue Regulations (RR) No. 34-2020. The form is due for filing on April 30th for taxpayers based on the calendar year, which is the same deadline as the submission of the attachment to the ITR. So, mark your calendars to avoid the penalty of P1,000 for late filing.

I wish to emphasize the importance of performing an annual verification to determine whether taxpayers qualify as one of those required to file the RPT Form. Circumstances from previous years may no longer be applicable in the current and succeeding years, making this annual verification crucial.

For example, a taxpayer who was not classified as a large taxpayer last year was not required to file the RPT Form. However, if they are now registered as a large taxpayer this year, they are required to file the RPT Form for the current year. Similarly, a taxpayer who was not enjoying tax incentives last year did not have to

LET’S TALK TAX CHRISTIAN DERICK D. VILAFRANCA

file the form but if they are now enjoying tax incentives this year, they must file the form for the current year.

Another example is a taxpayer who reported net operating losses on the ITR for the immediately preceding two consecutive years. If, after finalizing the ITR, the taxpayer reported another net loss for the current taxable year, they are required to file the RPT Form for the current year.

Additionally, if a related party has transactions with another related party that is required to file the RPT Form, the former is also required to file.

ADDITIONAL NOTES TO FINANCIAL STATEMENTS DISCLOSURE

Taxpayers not required to file the RPT form are required to disclose in the Notes to Financial Statements that they are not covered by the requirements and procedures for related party transactions.

TRANSFER PRICING DOCUMENTATION

The preparation and maintenance of transfer pricing documentation (TPD) are mandatory for those taxpayers required to file the RPT Form and meet the conditions set forth in RR No. 34-2020. However, the Bureau of Internal Revenue (BIR) highlighted that nothing prevents any taxpayer from preparing a TPD and presenting the same during a tax audit to prove that its related party transactions

were conducted at arm’s length. Though it is not required for some taxpayers to prepare a TPD, they still need to reasonably assess and prove whether their dealings with related parties adhere to the arm’s length principle. After all, the burden of proof rests upon the taxpayer.

The TPD prepared by the taxpayer should be contemporaneous, meaning it should have been prepared prior to or at the time of the transaction or no later than the time of completing and filing the tax return for the taxable year in which the transaction takes place, as it ensures the integrity of the taxpayer’s income tax position.

For taxpayers who have completed their TPD, great job! For those who are required to prepare one but have not started yet, it’s not too late to comply. Remember, the TPD must be submitted to the BIR within 30 calendar days upon receipt of a request during a tax audit (subject to a non-extensible period of 30 days based on meritorious grounds). Ensure that you have your TPD ready, as well as the relevant documents, before the BIR conducts its tax audit to avoid any compliance issues.

UPDATING THE TPD

Over time, as businesses conduct their operations, various internal and external factors that were considered in preparing the TPD in the previous year may change or become irrelevant in the current year and subsequent years.

Changes in internal factors include shifts in business strategy, operations, development, acquisition, or transfer of intangible assets, and business restructuring, among others. On the

other hand, changes in external factors include amendments to laws and regulations, shifts in economic conditions, changes in trade policies between countries, evolving industry practices and standards, and technological advancements, among others.

As a result of these changes, the current TPD needs to be updated. Therefore, taxpayers should occasionally revisit their current TPD and reassess whether it needs updating.

Moreover, updating the benchmarking analysis on an annual basis is necessary because the availability and relevance of comparable companies or transactions can change over time, and regular updates help identify the most appropriate comparables and ensure that the analysis is based on the most recent and relevant data. Keeping the benchmarking study up to date helps mitigate the risk of transfer pricing adjustments and penalties during tax audits.

ALIGNING THE CONTRACT WITH ACTUAL CONDUCT

It’s crucial that the contracts or agreements between related parties, which serve as the basis for preparing the TPD, align with the actual conduct of the parties.

If the BIR identifies inconsistencies between the terms of the contract and the actual conduct during its review, it may disregard and re-characterize the controlled transaction. This can occur if the economic substance of a transaction differs from its form or if the arrangements deviate from what independent parties would adopt in a commercially rational manner, thereby impeding the

BIR from determining an appropriate transfer price.

What the taxpayers may do is to conduct regular internal audits and reviews of all related party transactions to ensure that the terms of the contracts accurately reflect the actual conduct and economic substance of the transactions. Additionally, update any agreement promptly to reflect changes in business practices or circumstances.

Another to-do list item is to regularly review and update your transfer pricing policies to ensure they reflect current business operations and economic conditions.

Although the ITR season has concluded, monitoring compliance, especially for transfer pricing, should be a continuous and proactive process, not just performed at year’s end. Regular reviews ensure that taxpayers meet reporting requirements and that the documentation in the TPD aligns with existing transfer pricing rules and regulations.

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