BoI well behind target pace on investment proposals as of July

THE Board of Investments (BoI) approved P398.94 billion worth of investment pledges in the first seven months, equivalent to about 22% of its target for the year.

According to a Department of Trade and Industry (DTI) handout obtained by *BusinessWorld*, some 74.78% of the approvals are in the electricity and gas supply sector, valued at P298.33 billion.

Meanwhile, 8.21% were in the transportation and storage sector and 6.96% involved manufacturing projects.

Filipino investors accounted for P329.563 billion of the total pledges, with P69.38 billion sourced from foreigners.

Singapore was the top foreign source during the period, accounting for P57.41 billion.

The other top sources were the US and Spain, which accounted for P3.76 billion and P1.38 billion in investment pledges, respectively.

About P104.68 billion of the investments will go to the Bicol Region, while the other top destinations were the Calabarzon and Ilocos Regions.

For this year, the BoI has set an investment approvals target of P1.75 trillion, an 8% rise from the P1.62 trillion worth of approvals in 2024.

The BoI has so far endorsed 212 projects for green lane treatment valued at P5.915 trillion as of Aug. 15.

The list includes 164 projects in renewable energy worth P5.06 trillion and 34 digital infrastructure and public-private partnership projects worth P434.51 billion.

Six projects concerned food security valued at P66.96 billion and eight manufacturing, worth P352.13 billion.

In February 2023, the government established Executive Order No. 18, creating the "green lane" system at all government offices to expediting approvals and permits for strategic investments.

Meanwhile, Trade Secretary Ma. Cristina A. Roque said tariff negotiations with the US are still ongoing.

"There are always developments. So, we are just waiting for the final rates," she said on the sidelines of the DTI budget hearing on Wednesday, referring to the proposed additional tariffs on countries that impose digital taxes.

"Of course, our negotiators are still continuing up to this day," she added. — **Justine Irish D. Tabile**

Busuanga, Camiguin airport upgrades budgeted for nearly P836 million combined

THE Department of Transportation (DoTr) is allocating up to P835.9 million to upgrade airports in Busuanga, Palawan and Camiguin province.

In bid notices released on Wednesday, the DoTr is inviting interested parties to participate in the P661.38-million Busuanga Airport development project and the P174.60-million Camiguin Airport development project.

The DoTr said the Busuanga project covers the construction and paving of a new runway.

Interested parties will have until Sept. 15 to submit their bids, it said.

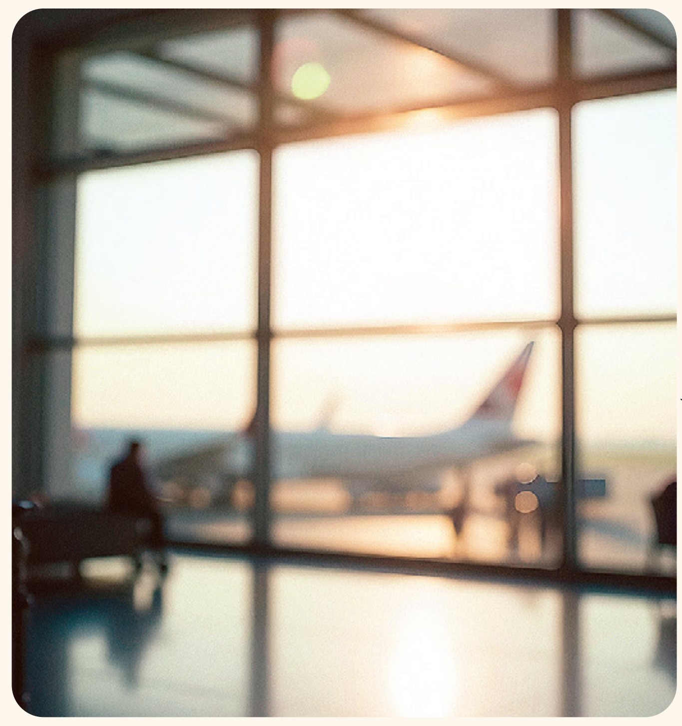
"Completion of the works is required within 420 calendar days, inclusive of pre-determined unworkable 30 days," the DoTr said, noting that bidders should have completed similar projects to qualify in the bidding.

Busuanga Airport, also known as the Francisco B. Reyes airport, is the gateway to Coron, Palawan.

The DoTr allowed 180 calendar days to redevelop the airport at Camiguin, an island province off northern Mindanao, with works including the correction of the runway center slope profile.

Bidders also have until Sept. 15 to submit their proposals.

The DoTr last year said it is allocating P14 billion to fund the upgrade and development of regional airports amid growing demand for air travel. — **Ashley Erika O. Jose**



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Onion import requirement to be set in October

THE estimated onion import requirement for later in the year is about 50,000 metric tons (MT) for the red variety and 35,000 MT for the yellow variety, according to the Bureau of Plant Industry (BPI).

BPI Director Glenn Panganiban told *BusinessWorld* that the imports will help avert shortages, adding that import volumes will be finalized in October.

The BPI estimates the shortfall in domestic production as equivalent to three months' supply for red onions and five months' supply for yellow onions, he noted.

The government earlier allowed yellow onion imports of 25,000 MT.

"Depending on the estimates of our regional offices and monitors, *'yung ating kailangan lang ang dapat i*-import plus or minus buffer (the import requirement will be tied to the actual shortfall and may include a buffer amount)," Mr. Panganiban said.

The national red onion inventory was 49,750 MT as of Aug. 15, equivalent to about 86 days' demand, indicating that stocks will be sufficient until mid-November.

As of Aug. 15, yellow onion stocks hit 1,142 MT, with shipments of 6,140 MT of yellow onions incoming. — **Kyle Aristophere T. Atienza**

Cooperatives seen key to boosting farmer financing

COOPERATIVES need to play a major role in improving farmers' access to financing, according to the former head of the government's economic planning agency.

At a Senate agriculture hearing, Cielito F. Habito, former director-general of the National Economic and Development Authority (NEDA, currently the Department of Economy, Planning and Development), noted that only a third of the country's 5.56 million farm households were cooperative members.

In Thailand, the equivalent rate is 95%, with 4,000 cooperatives having 6.81 million members, he noted.

Mr. Habito added that cooperatives can be formed from the National Irrigation Administration's irrigation associations, while also incorporating data from the Department of Agriculture's Registry System for Basic Sectors in Agriculture.

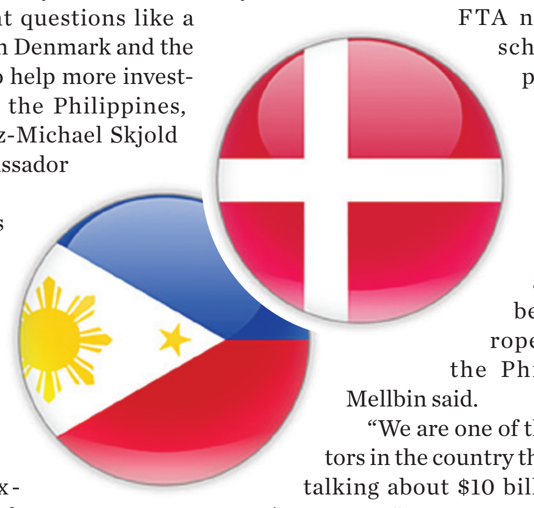
Mr. Habito noted that the distribution of key equipment and technology like drying facilities should be coursed through cooperatives to ensure fair access among farmers.

"All energies on extension work must be focused on cooperatives," he said. "That's the very first step that our extension workers should try to do." — **Kyle Aristophere T. Atienza**

PHL, Denmark in investment financing talks

THE PHILIPPINES and Denmark are in talks for a possible financing agreement to support Danish investments, the Department of Finance (DoF) said on Wednesday.

"We covered important questions like a finance agreement between Denmark and the Philippines which will also help more investments from Denmark to the Philippines, creating jobs here," Franz-Michael Skjold Mellbin, the Danish Ambassador to the Philippines, said.



This ambassador's meeting with Finance Secretary Ralph G. Recto was detailed on the DoF social media account.

Denmark is a major exporter of pharmaceuticals, agricultural goods, and wind turbines.

The envoy also expressed support for a free trade agreement (FTA) between the European Union (EU) and the Philippines, for which a third round of negotiations recently concluded in Brussels. The next round of FTA negotiations is scheduled to take place in the Philippines in October.

"We are looking to extend with a free trade agreement between the European Union and the Philippines" Mr. Mellbin said.

"We are one of the largest investors in the country these years. We're talking about $10 billion, it's a huge investment."

The FTA is expected to be the Philippines' most comprehensive trade agreement, becoming the first to cover government procurement, digital trade, energy and raw materials, and trade and sustainable development.

In 2024, trade between the Philippines and the EU hit $15.5 billion, making the bloc the Philippines' fifth-largest trading partner, accounting for 7.7% of total trade.

"Today, I could also tell Secretary Recto that fortunately the EU now has decided to take the Philippines off the EU blacklist for terror financing," he said.

This delisting boosts investor confidence and lowers remittance costs for overseas Filipinos, he said.

On Aug. 5, the Philippines and seven other countries were removed from the list of countries deemed "high risk" for money laundering and terrorism financing. — **Aubrey Rose A. Inosante**

OPINION

Form and manner of protesting matters

TAXWISE OR OTHERWISE
RACHEL SISON

With the government's proposed national budget for 2026 pegged at P6.793 trillion — a 7.4% increase from the previous year's budget — it is clear that the Bureau of Internal Revenue (BIR) will be intensifying its tax collection efforts to raise the much-needed funds.

Collections will largely come from income tax, withholding tax, value-added tax and other taxes; and from the BIR's assessments for deficiency taxes as a result of examinations of taxpayers' books of account and other accounting records.

Depending on the stage of the tax audit process, assessments for deficiency taxes may be contained in a Preliminary Assessment Notice (PAN) and/or Formal Letter of Demand and Final Assessment Notice (FLD/FAN).

A PAN is issued if the BIR finds sufficient basis to assess the taxpayer for deficiency taxes after a review and evaluation of the taxpayers' explanation and supporting documents to the Notice of Discrepancy issued by the BIR. If the taxpayer does not agree with the findings in the PAN, it has 15 days from the date of receipt to respond. Otherwise, if no response is submitted, the taxpayer is considered in default, in which case, a FLD/FAN is issued by the BIR.

The FLD/FAN may be protested administratively by filing a request for reconsideration or reinvestigation within 30 days from receipt. A request for reconsideration is a plea for re-evaluation of an assessment on the basis of existing records without need of additional evidence. On the other hand, a request for reinvestigation refers to a plea of re-evaluation of an assessment on the basis of newly discovered or additional evidence that a taxpayer intends to present.

It is worth mentioning that for the protest to be considered valid, it must comply with the form and manner of filing as provided under existing regulations.

First, the taxpayer should state the nature of the protest, whether it is for reconsideration or reinvestigation. A protest shall be considered a request for reconsideration unless it is clearly indicated as a request for reinvestigation. In case of the latter, the taxpayer should specify the newly discovered or additional evidence he intends to present to support his protest, and all relevant supporting documents should be submitted within 60 days from filing of the protest; otherwise, the assessment becomes final and executory.

Further, the protest letter should state the applicable law, rules and regulations, or jurisprudence on which his protest is based, otherwise, the protest will be considered void and without force and effect. If there are several assessment items in the FLD/FAN, the taxpayer must dispute or protest all the issues by stating the facts, the applicable law, rules and regulations, or jurisprudence in support of his protest. Undisputed assessment items become final, executory and demandable and the taxpayer is required to pay the deficiency tax or taxes attributable thereto.

In some decisions of the Court of Tax Appeals (CTA) I have encountered, the CTA held that the protest filed by the taxpayer is void and without force and effect for failure of the latter to comply with the form and manner of filing protests as prescribed under the BIR regulations, which rendered the assessment final and executory.

In CTA Case No. 10039 decided on Jan. 29, 2024, the CTA considered the protest letter filed by the taxpayer requesting for reinvestigation as void for failure to specify the applicable laws, rules, regulations and jurisprudence on which the protest was based as well as the newly discovered or additional evidence which the taxpayer intends to submit during the reinvestigation.

Similarly, in CTA Case No. 10821 decided on Sept. 27, 2024, while the protest filed by the taxpayer sought a request for reinvestigation, cited the date of the assessment notice and the Tax Code provision and a revenue regulation, the protest letter did not explain the applicability of such provisions nor raise any defense which the Commissioner of Internal Revenue (CIR) may consider.

In CTA Case No. 10425 decided earlier this year, while the taxpayer filed its protest letter/request for reinvestigation within the prescribed 30-day period from receipt of the FAN/FLD and indicated in the protest the documents it intends to submit (vouchers, contracts, invoices and official receipts, GL entries and accounts, reconciliation schedules, etc.), the protest letter submitted was still considered void as the taxpayer eventually failed to submit the documents it committed to present.

The recent decisions of the CTA highlight a crucial lesson for taxpayers: careful attention to procedural requirements and deadlines is indispensable to safeguarding against costly consequences. Forgetting these details can lead to the unfortunate consequence of paying deficiency taxes, potentially amounting to millions, just because of mere technicalities in the protest submitted. Such oversights can render a protest void, making the assessment final and executory, even before the merits of the case can be considered. Understanding not only the available remedies and their due dates, but also the prescribed form and manner to properly contest assessment notices received from the BIR, is essential.

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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