

Mining fiscal regime brings certainty to industry — DMCI

THE enhanced fiscal regime for large-scale metallic mining is expected to help generate long-term value for investors by keeping taxation stable and predictable, DMCI Mining Corp. said.

“We see the new fiscal framework as an opportunity to strengthen the mining sector’s role in generating long-term value for investors, communities, and the economy,” the company said via Viber on Tuesday.

“Furthermore, we welcome the fiscal stability it will bring to our operations,” it added.

The law, signed earlier this month, imposes royalties and profit-based levies on mining companies, boosting government revenue and sharing more of the gains with host communities.

It also introduces a windfall tax on companies whose profit margins exceed 30% and treats each mining contractor as a separate taxable entity.

Despite the increased taxes, Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said that the law is a step in the “right direction.”

“It is more acceptable based on global standards or best practices. And it is more predictable for companies and more fair for the government,” he said via Viber.

Philippine metal production amounted to P135.62 billion in the first six months, up 15.1%, according to preliminary data issued by the Mines and Geosciences Bureau.

Meanwhile, DMCI Mining said it hopes to begin operations at the Long Point nickel mine in Palawan within the year, through Berong Nickel Corp., subject to the release of permits.

Once Long Point starts operations, DMCI Mining’s full annual operating capacity will increase to 3 million wet metric tons.

“Actual production in 2025 will depend on the timing of Long Point’s startup. With Long Point, DMCI Mining will eventually be operating three mines,” the company said.

“We are also evaluating other properties, such as the Dangla mine, for future development,” it added, referring to another nickel site in Palawan. — **Justine Irish D. Tabile**

Grab driver incentive program to be monitored one more year — PCC

THE Philippine Competition Commission (PCC) said it extended the review period of Grab’s driver incentive system by another year.

In a statement on Wednesday, the PCC said it signed an undertaking with Grab to reinforce its oversight of Grab’s incentive scheme for affiliated drivers.

“(This is to ensure) that such mechanisms safeguard commuter choice and promote fair competition in the ride-hailing market,” the PCC said.

In the undertaking, the ride-hailing company committed to submit quarterly compliance reports for review by a third-party monitor that the PCC will appoint.

Covering the period from May 1, 2023, to Oct. 31, 2023, the review seeks to assess whether Grab’s incentive schemes “violate its non-exclusivity commitments by discouraging drivers and operators from joining competing platforms.”

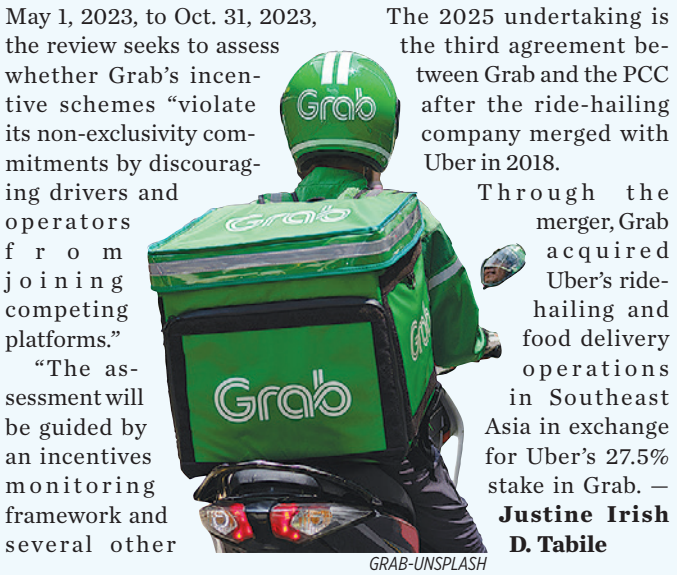
“The assessment will be guided by an incentives monitoring framework and several other factors, such as trip requirements, duration of incentive policies, coverage, and market behavior,” the PCC said.

“If the effects-based assessment determines that Grab’s incentives violate the Philippine Competition Act, the PCC shall have the authority to take enforcement action and impose penalties,” it added.

In a statement on Tuesday, Grab said that while it completed its voluntary commitments by Nov. 2023, the PCC has yet to complete its review of quarterly reports on driver incentives.

“Both parties therefore agreed to extend the review period for one year to allow the PCC to conclude its assessment,” Grab said.

The 2025 undertaking is the third agreement between Grab and the PCC after the ride-hailing company merged with Uber in 2018.



Trade dep’t sees fisherfolk benefiting from WTO agreement restricting fishing subsidies

THE Department of Trade and Industry (DTI) said the World Trade Organization’s (WTO) Agreement on Fisheries Subsidies is expected to help fisherfolk by halting support for commercial fishing operations that deplete marine resources.

“For the Philippines... where fisheries are central to livelihood and food security, the entry into force of the agreement strengthens global efforts to protect marine resources and promote fair competition for small-scale and artisanal fishers,” the Bureau of International Trade Relations said in a social media post.

“It also underscores the country’s strong commitment to promoting ocean sustainability and ensuring that fisheries subsidies support long-term economic growth and environmental resilience,” it added.

The agreement came into force on Monday after more than two-thirds of WTO members deposited their instruments of acceptance.

Adopted at the 12th Ministerial Conference in June 2022, the agreement prohibits subsidies that contribute to illegal, unreported, and unregulated fishing; to overfishing; and to fishing on the unregulated high seas.

“These disciplines seek to reduce harmful practices that accelerate the depletion of global fish stocks, ensuring long-term viability of fisheries and food security for coastal nations,” according to a DTI briefing document.

An element of the agreement is a Fisheries Funding Mechanism, or the Fish Fund, which will provide technical assistance and capacity-building support to help developing and least-developed countries implement their obligations under the agreement.

Receiving \$18 million in pledges so far, the Fish Fund allows members to apply for grants of up to \$300,000 for “institutional reforms, data collection, stock assessments, training, and strengthened monitoring, control, and surveillance systems.”

The fund will help the country address critical gaps in data collection, monitoring, and enforcement, it said.

“The agreement represents a critical step forward in ensuring sustainable fisheries, protecting biodiversity, and strengthening global trade governance,” the DTI said.

“By aligning domestic reforms with global disciplines and actively shaping the deployment of Fish Fund resources, the Philippines is well-positioned to secure long-term benefits for its marine ecosystems, its coastal communities, and its national economy,” it added. — **Justine Irish D. Tabile**

FAO: Farmers key to preserving heritage practices, biodiversity

THE Food and Agriculture Organization (FAO) said farmers play a key role in food security by preserving traditional knowledge and biodiversity.

At the Second Global Symposium on Farmers’ Rights, Lionel Dabbadie, the FAO’s representative in the Philippines, called farmers “stewards of land. They are protectors of agro-biodiversity. They are innovators of agriculture practices. They are the guardians of the world’s vast genetic resources. And overall, they are the guardians of our future wealth.”

“When the preservation of biodiversity is done right, this will boost the value chain and improve the lives of farmers,” he added.

Gerald Glenn F. Panganiban, program director of the National Urban and Peri-Urban Agricultural Program, said some of the keys to protecting farmers’ rights are “preserving traditional knowledge, improving farmers’ access to seed, and strengthening their participation in decision making processes that directly impact their well-being and livelihoods.”

“We remain committed to these initiatives and expanding efforts to protect farmers’ rights, especially in the face of evolving global challenges,” he added.

The Philippines is saddled with weak production, high food prices, and import dependence. President Ferdinand R. Marcos, Jr. has called food security one of the pathways to improving economic stability.

The symposium is due to conclude on Sept. 19. — **Andre Christopher H. Alampay**

Company Name: Oriental Coffee Alliance, Inc.
Address: Unit 2203 22nd Floor High Street South Corporate Plaza Tower 1, Bonifacio Global City, Taguig City
Nature of Business: Importer

Contact details of the Company: Ryoosuke Takahashi | ryoosuke.takahashi@orientalca.com

Job Position: Commercial Director

Job Description:

- Responsible for set-up and developing the Joint Venture between Grupo Nutresa and Mitsubishi corporation
- Responsible for developing the commercial channels and implementing the commercial strategy for the Joint Venture in the South East
- Lead the commercial team in OCA to achieve the goals and commercial plans
- Responsible for developing innovation for the coffee category
- Responsible for the merges and acquisitions develop the Philippine market

Basic Qualifications for the Position:

- Master's Degree in Business Administration, Finance or similar relevant field
- Graduate degree with an excellent academic record
- Previous working experience as commercial director for minimum 5 years
- Solid experience in client relationship management
- In-depth knowledge of market analysis and metrics

Monthly Salary Range: PHP 180,000 – 210,000
Workplace Address: Taguig City

Name of Foreign National: Gustavo Enrique Palacio Suarez
City of Residence: Taguig City
Duration of Employment: 1 year

Oriental Coffee Alliance, Inc. hereby declares that the above-named foreign national is able, willing, and qualified to perform the services and job description for this position. The company has the intention to employ the said foreign national and apply for an **Alien Employment Permit with the Department of Labor and Employment - National Capital Region** located at **967 Wasmiya Building, Maligaya Street, Malate, Manila**.

Career Opportunity in **WISEWORKS CONSULTANCY INC.**

POSITION TITLE: BILINGUAL OPERATIONS SPECIALIST

Job Description:

A Bilingual Operations Specialist is responsible for managing, optimizing, and supporting the daily operations of a business or organization in a bilingual environment. This role ensures smooth communication between different teams, clients, and stakeholders who speak different languages. The position may involve coordinating workflows, handling customer service inquiries, supporting cross-functional teams, and translating or interpreting as needed. The bilingual skills are critical for managing operations in both languages efficiently.

QUALIFICATIONS:

- Ability to translate complex documents and interpret technical language accurately.
- Strong knowledge of operational processes, logistics, and supply chain management.
- Ability to multitask, prioritize, and manage multiple projects simultaneously.
- Strong analytical skills with the ability to identify issues and provide practical solutions in both languages.
- Experience working in multicultural environments is a plus
- Highly proficient in Mandarin, Malay and English languages

Applications may be sent to:
Charlene Bonto
HR MANAGER
wiseworksconsultancyinc@gmail.com

COMPANY / EMPLOYER	NAME OF FOREIGN NATIONAL INTENDING TO APPLY FOR THE POSITION
COMPANY NAME: WISEWORKS CONSULTANCY INC. ADDRESS: GF 1158 CHINO ROGES AVE SAN ANTONIO CITY OF MAKATI NATURE OF BUSINESS: Data Management Consultancy Activities	NAME: TANG, LI-WEI ADDRESS: THE RISE MAKATI, MALUGAY STREET MAKATI CITY NATIONALITY: TAIWANESE INTENDED PERIOD OF EMPLOYMENT: 2 YEARS
WISEWORKS CONSULTANCY INC. hereby declares that the above-name of foreign national is able, willing, and qualified to perform the services and job description for this position. The company has the intention to employ the said foreign national and apply for an Alien Employment Permit with the Department of Labor and Employment-National Capital Region located at 967 Maligaya Street, Malate, Manila .	

OPINION

RMC No. 81-2025: Echoes of the Past

They say history repeats itself — and in taxation, that’s often true. Over the years, taxes have consistently undergone a familiar cycle of reform, resistance and frustration. While the specifics evolve, the underlying narrative remains unchanged: the government seeks revenue, taxpayers push back, and the tug-o-war continues. Today, tax issues are, in many ways, modern echoes of the past.

A recent example is the Bureau of Internal Revenue (BIR)’s issuance of Revenue Memorandum Circular (RMC) No. 81-2025, which reiterates the criteria and guidelines for deductibility of business expenses, particularly emphasizing that only expenses considered “ordinary” and “necessary” and directly attributable to the taxpayer’s business operations are deductible for income tax purposes.

Under the law, taxpayers may deduct expenses that are both ordinary and necessary for their business. Ordinary expenses refer to those that are usual and customary in the taxpayer’s line of business. These need not be habitual or recurring; they simply must be common within the context of the taxpayer’s business. Necessary expenses are those that are helpful, integral and directly connected to the business operations, contributing to income or profit generation.

RMC No. 81-2025 clarifies that not all expenses qualify as ordinary. For instance, an expense that is exorbitant — such as if it comprises half of the total deductions claimed — may not be considered ordinary. Thus, it is important for businesses to consider both the size and proportion of the expense relative to their overall operations. This interpretation appears to draw from earlier tax court rulings where excessive expenses were disallowed. However, a blanket application of this principle may be inappropriate. A more refined approach would be to assess on a case-by-case basis. For example, logistics companies may understandably incur warehousing costs that exceed half of their total deductions. Similarly, startup companies may also incur initial costs which significantly exceed their revenue in their earlier years.

When it comes to compensation for services (whether rendered by natural persons, such as employees/professionals, or juridical entities, such as third-party service providers), if the amount paid does not correlate with or does not reflect the actual services rendered, it may not be deemed ordinary and necessary. However, as the value of services rendered can be influenced by several factors, establishing clearer parameters would help ensure fairness and prevent

potential misinterpretation or arbitrary application.

Substantiation remains crucial for the expenses to be allowed as deductions. Taxpayers must be able to present documents (i.e., invoices) that support these deductions. Otherwise, it may be disallowed.

While RMC No. 81-2025 has gone over several considerations in claiming expenses, I would like to focus on the segregation of expenses that it sets out. In particular, matching expenses to the related revenues, a principle grounded on the RMC’s interpretation of the term “directly attributable.” Building on this, it highlights the importance of distinguishing between (a) active and passive income, and/or (b) income subject to different tax regimes, when determining deductibility of the expenses.

The classification of the income whether active or passive depends on the taxpayer’s level of involvement. Passive income arises from activities that do not require continuous or direct participation, such as interest, royalties or dividends. On the other hand, active income stems from habitual, business-driven actions, such as operating a business or providing services, and not merely from holding assets and earning results without substantial participation. The RMC underscores that the degree, frequency and intent of the taxpayer’s participation are key factors in determining whether income should be treated as active or passive.

Expenses for managing passive investments are not deductible from active income, as they do not relate directly to active business operations.

The RMC further provides that expenses related to tax-exempt income are not deductible. It views that allowing such deductions would result in a double benefit to taxpayers: first, the income is not taxed, and second, the expenses, when deducted, reduce taxable income from other sources.

The same approach was applied by the RMC to expenses incurred in relation to income subject to final withholding tax, which have also been held as non-deductible. Since the income has already been taxed at the final rate, further deductions would undermine the principle of final taxation.

Finally, expenses related to preferentially taxed income must be carefully allocated to prevent them from reducing the taxable base of regular income. This allocation of the expenses ensures that the benefits of preferential tax rates are not extended to regular income.

Noncompliance with these rules may result in reclassification of expenses and potential disallowance.

The requirements laid out in RMC No. 81-2025 came as a surprise, to say the least. The Supreme Court (SC) in 2021 ruled that common expenses should be deductible in full against taxpayers’ income subject to regular tax. In the decision, the SC struck down an earlier BIR issuance – Revenue Regulations (RR) No. 4-2011, which attempted to mandate a method of allocating the expenses amongst income of banks and other financial institutions. The RR had provided that all costs and expenses be specifically allocated between the bank’s operations — regular banking unit (RBU) and foreign currency deposit unit (FCDU)/expanded FCDU or offshore banking unit (OBU), limiting deductions to those attributable to RBU operations. The SC, while cognizant of the matching principle of accounting, held that by allocating expenses to tax-exempt or final tax paid income, the RR unduly curtailed and amended the law governing deductible expenses.

The SC emphasized once more that administrative issuances must remain consistent with the law and cannot impose additional requirements beyond what the Tax Code provides. Thus, RR No. 4-2011 was rendered null and void.

RMC No. 81-2025 now appears to echo the invalidated RR. This time, the echoes are louder, as the implications are no longer limited to banks and financial institutions. It appears to have broadened the coverage to other businesses which are subject to different tax regimes. It begs the question — is this going to be a repeat of RR No. 4-2011? Curiously, the RMC appears to have cited several landmark rulings involving deductible expenses, except for the 2021 case.

Clarity is essential for effective compliance. RMC No. 81-2025 shows BIR’s initiative to help taxpayers determine deductible expenses. However, as a practitioner, I hope that the guidelines are further refined to align with the existing legal framework, support taxpayers in achieving better compliance, and help prevent potential misinterpretation during tax investigations. Clearer rules will help move us forward through the echoes, and into a future defined by fairness and trust.

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