

EU delays effectivity date of deforestation regulation

THE European Commission has postponed the effectivity date of the European Union Deforestation Regulation (EUDR) to December 2026, the Department of Trade and Industry's Export Marketing Bureau (EMB) said.

The target date for the EUDR enforcement is two years after the original 2024 target.

"The postponement is due to ongoing technical challenges with the EU's due diligence information technology system," EMB said in a Facebook post.

"The information technology system is not yet equipped to manage the volume of compliance declarations required under the new law," it added.

Under the law, all exporters of cattle, cocoa, coffee, oil palm, rubber, soy, and wood, and related products such as chocolate, leather, furniture, and tires, are required to prove that their goods



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are deforestation-free and legally produced.

According to the EMB, exporters should use the deferment as an opportunity to audit their supply chains for deforestation risk, implement traceability systems, and engage with cooperatives, certifiers, and government agencies.

Bianca Pearl R. Sykimte, EMB director, said the deferment "will give more time for exporters to comply."

Foreign Buyers Association of the Philippines President Robert M. Young said that the postponement is beneficial to exporters.

"We can still prepare for the requirements and the regulations that will be imposed by the EU," he said via telephone.

He said exporters and the government are not ready for such a regulation.

"You have to have that kind of permit accompanying your tables or your chairs that will prove that the wood you used is compliant with the regulations," he added.

He said that similar regulations are already in place in other countries, pushing Philippine exporters to import wood from Indonesia and Malaysia, among others, to continue exporting to these markets.

"These guys that are selling to us these imported goods have the certification," he added.

He said that he hopes that exporters and the government will use the deferment to "put things in order." — **Justine Irish D. Tabile**

Canada FTA seen boosting PHL competitiveness

By **Justine Irish D. Tabile**
Reporter

THE PHILIPPINES and Canada are viewed as complementary markets well-suited for a free trade agreement (FTA), with a prospective deal expected to help the Philippines stay competitive with regional peers like Indonesia, Christopher A. Ilagan, president of the Canadian Chamber of Commerce of the Philippines, told *BusinessWorld*.

"In agriculture, for example, they grow wheat, and we need wheat for our bread, while they do not have tropical fruits, so that alone is a good reason why

there should be an FTA," he said.

He said there is also an opportunity for Philippine manufactured goods like semiconductors to penetrate the Canadian market.

"The Philippines also remains the largest source of business process outsourcing for Canada, largely because of our English-speaking population," he said. "We have seen many Canadian companies actually set up their back-office operations here. I just imagine that growing potentially over time," he added.

"From a Philippine standpoint, just to retain our competitiveness, we see all our neighbors getting all of these bilateral agreements with the European Union

and even Canada," he said. "These are the peers that we are being compared to, but if they have better access to the markets that we are trying to compete in, our competitiveness in the Philippines will be affected."

He said Indonesia has already concluded negotiations for FTAs with the EU and Canada.

The Philippines and Canada are currently in "exploratory talks" for an FTA, Trade Undersecretary Allan B. Gepty said via Viber.

"Our target is to finish it in December with the end view of launching the negotiations," he added.

Mr. Ilagan said Philippine goods have a built-in market of

Filipinos in Canada, who can improve their access to goods from the Philippines with the conclusion of a trade deal.

"Ultimately, as we look at the larger geopolitical and geoeconomic environment, it's becoming more and more important for Canada and the Philippines to expand the relationships they have bilaterally," he added.

In 2023, bilateral merchandise trade stood at \$3.4 billion, while 1 million Canadians of Philippine heritage reside in Canada, the chamber estimated.

"We truly hope that it will happen, but at the same time, we have to make sure that the process runs the way it should," Mr. Ilagan said.

PHL Aug. rice inventory rises ahead of 60-day import freeze

THE national rice inventory rose 24.7% year on year at the start of the 60-day rice import freeze, the Philippine Statistics Authority (PSA) reported.

Rice stocks as of Sept. 1, the first day of the import ban, amounted to 2.07 million metric tons, the PSA said.

Month on month, the national inventory was down 10.7%.

Some 39.3% of the rice was held by commercial entities, while households held 39% and the National Food Authority (NFA) 21.6%.

In August, the Department of Agriculture (DA) continued to roll out its P20 per kilo subsidized rice program targeted at vulnerable segments of society and minimum wage earners.

The rice was taken from NFA stock, causing commercial traders to trim their inventories by 21.6%, the PSA said.

President Ferdinand R. Marcos, Jr. ordered a 60-day freeze on rice imports to provide price relief to farmers, who had been receiving reduced offers for their grain from traders. The DA has said it is considering extending the freeze until the end of the year. — **Andre Christopher H. Alampay**



PHILIPPINE STAR/RYAN BAUTISTA

Farmers call for 'appropriate' technology after South Korean farm mechanization tieup

THE Samahang Industriya ng Agrikultura (SINAG) said any foreign tieups in farm mechanization must introduce technology suited for domestic conditions.

"Any assistance under the mechanization program must be aligned with the factual needs of our farmers and take into account our current level of development," SINAG Executive Director Jayson C. Cainglet said.

He was responding to a query about the new partnership between Philippine Center for Postharvest Development and Mechanization (PhilMech) and South Korea's TYM Corp.

He added, however, that the partnership is expected to upgrade PhilMech's quality.

Mr. Cainglet explained how previous partnerships delivered machines that were "inappropriate" in addressing the needs and concerns of farmers, resulting in underutilized farm equipment.

"We hope that this new partnership will take these lessons to heart, ensuring that future interventions are farmer-centered, needs-based, genuine technology transfer and sustainable."

TYM Corp. agreed to train PhilMech engineers, which supplies much of the farm equipment for the rice industry modernization program. — **Andre Christopher H. Alampay**

BDO Capital keen on financing hydropower, waste-to-energy projects

BDO CAPITAL and Investment Corp. is expanding its green financing portfolio by backing the country's first waste-to-energy (WTE) facility and the large-scale hydropower assets set to be turned over by the government, its president said.

In an interview last week, BDO Capital President Eduardo V. Francisco said the company is working with the Thunder Consortium — the winning bidder for the Caliraya-Botocan-Kalayaan (CBK) hydroelectric power plants (HEPP) — to finance the acquisition of the 796.64-megawatt (MW) complex in Laguna.

Aboitiz-led Thunder Consortium won the PSALM auction for the hydroelectric assets in June with an offer of P36.266 billion.

The consortium is composed of Aboitiz Renewables, Inc. (ARI), Sumitomo Corp., and Electric Power Development Co. (J-Power).

"We're willing to finance the whole thing," Mr. Francisco said.

The complex includes the 39.37-MW Caliraya HEPP in Lumban, the 22.91-MW Botocan HEPP in Majayjay, and the 366-MW Kalayaan I and 368.36-MW Kalayaan II pumped-storage power plants, all located in Laguna.

PSALM President and Chief Executive Officer Dennis Edward A. dela Serna earlier told *BusinessWorld* that the facility's turnover is targeted for February 2026.

Meanwhile, Mr. Francisco said BDO is extending a \$200-million loan to help finance the

proposed WTE plant in Smokey Mountain, Tondo, Manila.

"We are looking to finance the first waste-to-energy project in the country," he said.

Manila Integrated Environment Corp. (MIEC), majority owned by Phil. Ecology Systems Corp. of tycoon Reghis M. Romero II, plans to build and operate a WTE facility with a capacity of 3,000 tons per day of residual municipal solid waste, capable of generating 100 MW of electricity.

The WTE project is targeted to begin commercial operations by the fourth quarter of 2028.

BDO Capital, the investment banking arm of BDO Unibank, Inc., has funded P1.04 trillion worth of sus-



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tainable projects across the energy, infrastructure, water, transportation, and community development sectors since launching its Sustainable Finance Program in 2010. — **Sheldeen Joy Talavera**

Razon-led Primelectric names ex-IEMOP chief as new COO

RAZON-LED Primelectric Holdings, Inc. has appointed former Independent Electricity Market Operator of the Philippines (IEMOP) President and Chief Executive Officer (CEO) Richard J. Nethercott as its chief operations officer (COO).

"It is an honor to join Primelectric with the hope of being able to positively contribute to the company's mission of providing the best quality service consumers deserve," Mr. Nethercott was quoted as saying in a statement on Sunday.

Before joining Primelectric, Mr. Nethercott headed IEMOP, the operator of the Wholesale Electricity Spot Market, and

served on the board of the Philippine Electricity Market Corp.

Primelectric said Mr. Nethercott's appointment reflects the group's "strong intent to leverage high-level industry and regulatory expertise as it expands its operations and influence within the Philippine power distribution landscape."

Primelectric, the holding company for the Razon group's power distribution businesses, has interests in distribution utilities such as MORE Power in Iloilo, Negros Power, and Bohol Light. It also operates MORE Power Barge and the retail aggregation arm PrimeRES.

"With over five years of distinguished experience in overseeing the operations of the trading floor for Philippine electricity, Atty. Nethercott brings valuable expertise and leadership to our team," Primelectric President and CEO Roel Z. Castro said. — **Sheldeen Joy Talavera**



WESMOPH

RICHARD J. NETHERCOTT

CTA denies Ford PHL's P203-M tax refund claim

THE COURT of Tax Appeals (CTA) has denied the petition of Ford Group Philippines, Inc. seeking a refund of P202.93 million in alleged excess and unused creditable withholding taxes (CWTs) for 2020, citing the company's failure to sufficiently prove its entitlement to the refund.

In a 26-page decision dated Oct. 1, 2025, the CTA's Third Division, through Associate Justice Erlinda P. Manahan, ruled that while Ford filed its refund claim within the prescribed period, it failed to present adequate documents showing that the withheld taxes it sought to recover were declared as part of its 2020 income.

The company earlier asked the Bureau of Internal Revenue (BIR) to refund the alleged overpaid amount, saying it had an overpayment of P580.75 million for 2020, of which P202.93 million represented unutilized CWTs — taxes withheld by clients and other parties on its behalf that were not fully credited in its annual income tax return.

The BIR opposed the claim, arguing that Ford failed to establish a direct link between the income and the taxes withheld and did not provide proof that the taxes were remitted to the government. It added that the company's failure to submit complete documents at the administrative level rendered its claim "pro forma," or incomplete.

While the tax court disagreed that missing documents automatically invalidate a claim, it still found Ford's evidence insufficient.

"Petitioner has not sufficiently proven its entitlement to the present refund claim," the court said, noting that the burden of proof lies with the taxpayer.

The CTA said that tax refunds are a form of exemption and must therefore be substantiated with clear and complete documentation.

"Refunds need to be proven and their application raised in the right manner as required by law," the court added, denying Ford's petition "for lack of merit." — **Erika Mae P. Sinaking**

SEC eyes wider REIT asset definition to attract more listings

THE Securities and Exchange Commission (SEC) is drafting amendments to the real estate investment trust (REIT) rules to expand and clarify what qualifies as income-generating assets, allowing more companies, including those in the power, infrastructure, and telecommunications sectors, to list under the framework.

"Well, it's a work in progress. In fact, I was just talking to one of the participants following up. Because we have our own ideas on how to liberalize the REIT Rules," SEC Chairperson Francisco Ed. Lim told reporters on Wednesday last week.

Mr. Lim said that among the proposed amendments is the enumeration of asset types to avoid confusion and disputes over what constitutes an income-generating property.

"For example, we will define what the income-generating assets are. We will enumerate them in order to minimize issues — what is really an income-generating asset. For example, the electric towers attached to the ground — that's income-generating. That can be a REIT-able asset," he said.

"The toll roads — although the company is not the owner, but

it has a real right to operate the highway in that long piece of land — that's a REIT-able asset," he added.

Power plants and cell towers are other examples cited by the SEC as qualifying assets.

"For example, power plants and cell towers can be characterized as REITs because, under the law, they are considered immovable properties. Real estate assets are immovable properties; therefore, by definition, under the Civil Code, they are real property," Mr. Lim said.

"Therefore, if they generate income on a regular basis, that's a REIT-able asset," he added.

Republic Act No. 9856, or the REIT Act of 2009, provides tax incentives to REITs, which are companies that invest in income-producing properties. REITs allow investors to participate directly in completed, revenue-generating projects.

Under the REIT framework, at least 75% of a REIT's deposited property must consist of income-generating real estate, including those held under freehold or leasehold arrangements. — **Alexandria Grace C. Magno**