

# Planning starts for ASEAN energy cooperation — DoE

THE Department of Energy (DoE) said Southeast Asian energy officials are set to start setting priorities for regional energy collaboration.

As the 2026 chairman of the Association of Southeast Asian Nations (ASEAN), the Philippines, through the DoE, will convene the region's energy ministers and other officials to discuss new initiatives and review ongoing work programs.

The Philippines will host the ASEAN Special Senior Official Meeting on Energy and its Associated Meetings in Bohol from Jan. 20-22.

"The Philippines is advancing an energy agenda that delivers

security for people, inclusive economic growth, innovation, and resilience across ASEAN," Energy Undersecretary Felix William B. Fuentebella said in a statement on Monday.

"Through these technical discussions, we are turning shared commitments into practical action, enabling ASEAN to move forward with confidence in building a secure, sustainable, and resilient energy future," he added.

The discussions will help prepare to implement the ASEAN Plan of Action for Energy Cooperation (APAEC) 2026-2030, endorsed last year.

APAEC serves as the region's five-year blueprint for energy

cooperation, aligning shared priorities and coordinated actions across seven areas: an ASEAN Power Grid; clean coal transformation; renewable energy; civilian nuclear energy; oil and gas connectivity, security and sustainability; energy efficiency and conservation; and regional energy policy and planning.

During the meetings in Bohol, senior officials will also endorse the annual energy priorities to be pursued during the Philippines' chairmanship, drive the delivery of one of the priority economic deliverables, and deepen strategic cooperation to fortify regional energy resilience, including

preparedness and coordinated responses to disruption.

Mr. Fuentebella told reporters that the Philippine hosting is expected to help draw in more foreign capital by giving the business sector a better understanding of the region's priorities and direction.

"As chair, the Philippines is committed to ensuring our collective efforts deliver tangible benefits, from powering homes and businesses to strengthening resilience and supporting inclusive growth for all ASEAN peoples, while fostering partnerships that reinforce our shared prosperity and security," he said.

— **Sheldeen Joy Talavera**

## Gov't reforms to yield 'modest results' without overhauling governance

THE government's proposed "big, bold reforms" will probably yield only modest results if governance issues that enable corruption are not addressed, a former central banker said.

GlobalSource Principal Advisor Diwa C. Guinigundo, a former Bangko Sentral ng Pilipinas (BSP) deputy governor said the public institutions tasked with implementing the reforms are themselves in need of reform.

"I think all of this can move the needle but just a little bit," Mr. Guinigundo told *Money Talks with Cathy Yang* on One News on Monday. "The problem is governance, it is about corruption. And that is behind the drop in FDI (foreign direct investment) as well as domestic investment."

In October, FDI net inflows plunged by 39.8% to \$642 million.

Mr. Guinigundo noted that structural corruption and the culture of impunity are bigger issues than the ease of doing business.

"The issue is not just ease of doing business, ensuring that policies are in place to avoid corruption," he said. "Because who will implement those game-changing and needle-moving initiatives unless the issue of corruption is addressed head-on and the culture of impunity is also addressed by the Ombudsman and the civil courts."

On Friday, economic managers presented their "big, bold reforms" to the private sector, which entailed four major plans to restore waning investor confidence.

Among the proposed reforms are the restoration of the P4.32 billion in funding for the Comprehensive Automotive Resurgence Strategy (CARS) program, which had been vetoed from the budget. Incentives are designed to support fixed investment and reward car manufacturers that produce in volume, and 14-day visa-free entry for

Chinese businessmen and tourists.

The government is also seeking to establish a digitized audit system for the Bureau of Internal Revenue (BIR) and reduce the frequency of issuing Letters of Authority, as well as to roll out a national single-window trade facilitation platform for the Bureau of Customs to minimize red tape.

Various government agencies have come in for added scrutiny since the exposure of flood control scams in July. The BIR has also come under a cloud because of the alleged use of tax audits for extortion.

Growth sank to an over four-year low of 4% in the third quarter of 2025 due to the resulting damage to investor confidence and the slowdown in government spending after projects had to come in for extra review.

Meanwhile, the German-Philippine Chamber of Commerce and Industry, Inc. (GPCCII) called for consistent implementation and tangible results in the rollout of the government's pledged reforms.

In a statement late Sunday, GPCCII President Marie Antoniette E. Mariano said governance challenges and sustained execution are crucial in translating these reforms into lasting confidence and inclusive growth.

"What investors and businesses will closely watch is consistent implementation, transparency, and measurable impact — particularly in improving ease of doing business, regulatory clarity, and overall economic performance," she said.

Mr. Guinigundo said that the government can only regain investor trust if it ensures fair administration of justice and observes the rule of law, end impunity, and introduce real accountability for all public officials, while ensuring that fiscal policy remains solid.

— **Katherine K. Chan**

## P95-M processing facility seen improving quality of rice, farmer incomes in Antique

THE Department of Agriculture (DA) said a newly completed P94.8-million rice processing facility in Hamtic, Antique will improve rice quality in the province.

In a statement on Monday, the DA said the rice processing system (RPS), operated by the Hamtic Multi-Purpose Cooperative, aims to address key bottlenecks in drying, milling, and storage, which are critical

stages that affect grain recovery, quality, and farmgate prices.

"This investment gives our rice farmers here in Antique the tools to be more productive and improve their live," Agriculture Secretary Francisco P. Tiú Laurel, Jr. was quoted as saying in the statement.

The RPS was constructed by the DA's Philippine Center for Postharvest Development and Mechanization and funded

through the Rice Competitive-ness Enhancement Fund.

The facility features a multi-stage rice mill with a capacity of two to three tons per hour worth P54.7 million, along with two mechanical dryers capable of handling six tons per batch valued at P6.18 million.

Supporting infrastructure includes a warehouse and operations building worth P25.9 million, funded under the DA National Rice Program, as well as

an equipment package consisting of a truck, forklift, weighing equipment, and moisture meter.

Aside from the RPS, the DA said it also released financial assistance and insurance claim checks through the Philippine Crop Insurance Corp. to rice farmers from Hamtic and San Jose de Buenavista, helping them recover from crop losses caused by bad weather.

— **Vonn Andrei E. Villamiel**

## BFAR enhancing tracing systems to boost fish catch sustainability

THE Bureau of Fisheries and Aquatic Resources (BFAR) said it will roll out a series of programs between March and November to enhance the traceability of the fish catch and deter illegal fishing practices.

The BFAR said the program, which is part of a broader effort to curb illegal, unreported, and unregulated fishing (IUUF), will focus on developing guidelines for sustainable sourcing, establishing certification templates, and conducting assessments and monitoring of marine resources.

"These initiatives will ensure a sustainable and IUUF-free supply of fish for both domestic and international markets," BFAR spokesman Nazario C. Briguera told *BusinessWorld* via Viber.

Fisheries Administrative Order (FAO) No. 275, signed by Agriculture Secretary Francisco P. Tiú Laurel, Jr. in November, requires imported fishery products to be documented at various stages of the supply chain, from ports of entry to warehouses and domestic distribution points.

The order also provides for the digitalization of traceability systems for imported fishery commodities. "Digital reporting is a part of the traceability insofar as imported fishery products are concerned," Mr. Briguera said.

He said this would involve the development and use of an electronic system of reporting to verify the details of landed imports.

FAO 275 also requires imported wild-caught fish to be accompanied by a catch certificate issued by the authorities of the exporting country, a measure designed to prevent illegally caught fish from entering the domestic market.

The Philippines recently improved one spot to 54<sup>th</sup> out of 152 coastal countries in the 2025 edition of the IUUF Index of the Global Initiative Against Transnational Organized Crime.

The index gave the Philippines a score of 2.34 on a scale of 5, where 1 is the best possible score. While slightly above the global average of 2.27, the Philippines outperformed the Asian regional average of 2.55.

— **Vonn Andrei E. Villamiel**

### OPINION

## Guidance for Export-Oriented Enterprises on DTI certification, tax incentives

*"Those who fail to prepare, prepare to fail."*

This principle has never been more relevant than today. Businesses that fail to adapt to new compliance requirements are not spared the consequences. With the government getting stricter on compliance, failing to prepare can result in the loss of tax incentives that businesses might otherwise be entitled to. In taxation, entitlement without compliance is no entitlement at all.

**A NEW REALITY FOR EXPORT-ORIENTED ENTERPRISES**

Did you know that availing of VAT zero-rating for local purchases and import VAT exemptions for Export-Oriented Enterprises (EOEs) now hinges on the formal issuance of an Export Management Bureau Certificate by the Department of Trade and Industry (DTI)?

Before the CREATE MORE Act, under Section 106(A)(2)(a)(3) of the NIRC of 1997 (as amended), the sale of goods to an export-oriented enterprise — whose export sales exceed 70% of its total annual production — qualified for VAT zero-rating only if all of the following elements were met:

- 1.) the sale was made by a VAT-registered person;
- 2.) the buyer must be considered an EOE; and,
- 3.) the goods sold must be used as raw materials or packaging materials for the goods exported by the EOE.

With the passage of the CREATE MORE Act (RA No. 12066), the rules have been streamlined. The law introduces clearer qualification requirements, strengthens inter-agency oversight, and places the

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EMB Certification at the center of the incentive-granting process. This certification now serves as the definitive basis for VAT zero-rating and VAT exemption on imports, and both the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BoC) rely on it in evaluating claims.

Further, pursuant to Sections 3 and 4 of RR No. 10-2025, local suppliers of goods and services to qualified EOEs and RBEs are no longer required to apply for approval for VAT zero-rating, nor are they required to seek confirmation or validation thereof with the BIR prior to their sales transaction with the EOEs and RBEs to qualify for VAT zero-rating.

**FAILING TO OBTAIN AN EMB CERTIFICATION**

Failing to obtain the required EMB Certification has significant tax and financial implications for EOEs.

- **Ineligibility for VAT zero-rating on local purchases or VAT exemption on imports** – Without a valid Certification, EOEs cannot avail of VAT zero-rating on their local purchases of goods and services used in export operations or VAT exemptions on imports.
- **Loss of VAT refund eligibility** – EOEs that meet the 70% export threshold from the preceding taxable year but fail to secure EMB certification are not eligible for a VAT refund in the immediately succeeding year. However, the unutilized input VAT may be carried forward to the subsequent taxable quarter and can be utilized against future VAT liabilities.

**QUALIFYING AS AN EOE**

As defined under Revenue Regulations 010-2025, an EOE refers to a person, natural or juridical, engaged in the sale and actual shipment of goods and/or sale of services from the Philippines to a foreign country or economy as contemplated under Sections 106(A)(2)(a)(3), 108(B)(5) and 109(I)(dd) of the Tax Code, as amended.

To qualify for VAT-zero rated local purchases of goods and services and VAT-exempt imports, the following conditions must be satisfied: (a) Export sales must comprise at least 70% of total annual production or gross sales for the preceding taxable year; and (b) The goods or services must be directly attributable to export operations.

It is important to distinguish EOEs from Registered Business Enterprises (RBEs) or Registered Export Enterprises (REEs) under Investment Promotion Agencies (IPAs). While those may secure incentives via IPA registration, EOEs under CREATE MORE rely exclusively on EMB certification for VAT-related benefits.

**KEY INCENTIVES UNDER CREATE MORE**

Once certified, EOEs may avail of the following key incentives, subject to compliance with implementing rules:

- Value-added tax (VAT) zero-rating on the sale of goods to EOEs with export sales of at least 70% of its total sales for the preceding taxable year;
- VAT zero-rating of sales of services performed for EOEs with export sales of at least 70% of its total sales for the preceding taxable year; and

- VAT exemption on goods imports by EOEs with export sales of at least 70% of total annual sales in the preceding taxable year.

These incentives are intended to enhance competitiveness, lower production costs, and promote export growth, while maintaining safeguards against abuse.

The official list of Certified EOEs, Non-Qualified EOEs, and EOEs with Revoked or Expired Certificates as of January 2026 under the CREATE MORE Act may be verified on the DTI website: <https://www.tradelinephilippines.dti.gov.ph/web/tradeline-portal/certification-of-export-oriented-enterprises-under-the-create-more-act>

**DISCUSSION OF APPLICATION AND COMPLIANCE**

The certification process involves several key steps:

- Preparation of documentary requirements for the EOE Certification application as enumerated under DTI Administrative Order No. 25-03.
- Submission of the application to the EMB. The EMB will review the application's completeness and evaluate the submitted documents. It shall also determine and certify the compliance of EOEs that hit the 70% threshold under the Tax Code. The issuance of an EOE Certificate is free of charge.
- Issuance of CREATE MORE EOE Certificate – the issuance of the certificate is without prejudice to the conduct of post-audit investigation/verification by the BIR.
- Validity and Renewal – Certifications are generally valid for the covered taxable year. Subsequent application by the EOR must be filed not earlier than

45 working days prior to the close of the EOE's taxable year.

- Inter-Agency Coordination – DTI shares the list of certified EOEs with DoF, BIR and BOC, which becomes a reference point for audits, assessments, and post-clearance verification.

**SAFEGUARDING INCENTIVES VIA STRONGER COMPLIANCE**

Tax incentives are privileges, not inherent taxpayer rights. Eligibility is earned only through full compliance with statutory requirements and regulatory issuances; any deviation places these privileges at risk.

For EOEs, the message is unequivocal: meeting the 70% export threshold is no longer sufficient. Remaining current with regulatory developments and ensuring timely compliance, particularly with respect to EMB certification, is now indispensable.

Preparedness is no longer just a strategy — it is a safeguard against missed opportunities and avoidable losses. Businesses that strengthen their compliance posture are better positioned to fully maximize the incentives and benefits that are rightfully theirs.

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