

# Camarines Norte award marks first deal for offshore wind port

THE first contract to redevelop a port dedicated to servicing offshore wind farms has been awarded, with Mercedes, Camarines Norte set for a P2.27-billion overhaul, the Philippine Ports Authority (PPA) said.

The PPA said it awarded the contract to the joint venture of Khan Kon Chi Construction and Development Corp. and SB Construction Corp. The contract covers the first phase of the re-development project, Energy

Undersecretary Giovanni Carlo J. Bacordo told *BusinessWorld*.

The auction was conducted by the PPA earlier this month.

Khan Kon Chi Construction is a Davao-based engineering and construction firm while SBS Construction is a general engineering contractor.

The second phase of the re-development is scheduled for bidding in the second or third quarter this year, putting Mercedes in position to become the first port

capable of servicing the offshore wind industry, Mr. Bacordo said.

“Mercedes is the most advanced of the three identified ports and is fully funded by the PPA,” he said.

The PPA also designated Sta. Clara port in Batangas for re-development to service offshore wind farms.

Mr. Bacordo said Sta. Clara port is being structured as public-private partnership project due to its scale and cost.

“A feasibility study is currently being prepared, with technical support, and the port is envisioned primarily as a marshalling port with future manufacturing potential,” he said.

He said redeveloping the port may cost about P3.1 billion.

The Philippines is hoping to generate output from offshore wind by 2028 as it pushes to diversify the national power mix and reduce dependence on fossil fuels. — **Sheldeen Joy Talavera**



## Onion import clearances frozen as harvest approaches peak

THE Department of Agriculture (DA) said it suspended the issuance of sanitary and phytosanitary import clearances (SPSIC) for red onions as the domestic harvest approaches its peak.

“We have not been issuing any import permits or SPSIC since the end of January,” Agriculture Secretary Francisco P. Tiu Laurel, Jr. told *BusinessWorld* via Viber.

Mr. Laurel said the DA typically suspends the issuance of import clearances ahead of the local harvest season. The red onion harvest in the Philippines usually begins in January and peaks in March.

Mr. Laurel said most of the red onions approved for import have already arrived, with only a few shipments expected.

“Almost all shipments have arrived, and most of them have actually (been sold). There are only a few containers arriving now, in insignificant quantities, mainly because they were delayed at transshipment points,” Mr. Laurel said.

He said the DA will resume the issuance of import clearances by around September.

An industry official said the suspension came too late to shield farmers from price disruption.

“It should have started as early as December... If imports are still coming in until February, that becomes a pretext to dump imports during the harvest period to force down farmgate prices and undercut farmers,” Jayson H. Cainglet, executive director of the Samahang Industriya ng Agrikultura, told *BusinessWorld* via Viber.

The Philippine Statistics Authority reported that the farmgate price of domestic red onion dropped 28.42% to P43.97 per kilo in February from P61.43 a year earlier.

Mr. Cainglet said the Bureau of Plant Industry (BPI) should have already estimated harvest volumes by July to help determine the appropriate level of imports.

The DA, however, has said that the supply of imported red onions is not sufficient to drive down farmgate prices, contrary to farmers’ claims.

“The numbers show that current stocks from imports are not overwhelming the market but merely plugging a supply gap,” Mr. Laurel said last week.

The BPI estimated that the supply of imported red onion, including the remaining expected shipments, will likely last only until March 6, just as the domestic harvest begins to peak.

The DA earlier said it will probe the continued decline in farmgate prices despite the limited imported supply.

Meanwhile, Mr. Cainglet said the DA needs to address structural challenges in the onion industry, including inadequate post-harvest facilities, high intermediary margins as the product passes from farmgate to retail, and elevated logistics costs.

“Onions should actually be the easiest to monitor because they are harvested only once a year and the major production hubs are already identified,” he added. — **Vonn Andrei E. Villamiel**

## Air passenger traffic exceeds pre-pandemic levels in 2025

AIR PASSENGER volume rose 4.06% to 62.34 million in 2025, exceeding pre-pandemic levels for the first time, the Civil Aeronautics Board (CAB) said.

Domestic passenger traffic rose 3.45% to 33.24 million in 2025, according to the CAB.

International passenger volume rose 4.75% to 29.10 million.

Last year’s total passenger traffic was 3.79% higher than the pre-pandemic volume of 60.07 million recorded in 2019.

Domestic passenger volume accounted for about 54.92% of last year’s total.

Budget carrier Cebu Pacific and its units carried a total of 16.20 million passengers, while its regional brand Cebgo flew 2.06 million, and AirSwift Transport, Inc. carried a total of 429,222.

Flag carrier Philippine Airlines carried 1.35 million passengers, and its regional brand PAL Express logged 8.39 million.

Philippines AirAsia, Inc., operator of low-cost carrier AirAsia Philippines, reported 4.60 million passengers in 2025.

The CAB said foreign carriers logged a total of 15.01 million international passengers, while Philippine carriers reported a total 14.09 million. — **Ashley Erika O. Jose**

## NFA rice auction raises P936.5M

THE National Food Authority (NFA) said it auctioned nearly 90% of its ageing rice stocks on Friday, generating P936.5 million and freeing up warehouse space for fresh palay (unmilled rice) procurement.

“We are very pleased with the results, which allowed us to raise P936.5 million compared to the target amount of P912.4 million,” NFA Administrator Larry R. Lacson said in a statement on Sunday.

The NFA said it offered 737,339 50-kilo bags of milled rice that had been stored for three to 18 months. Of the 83 lots offered, 57 were awarded, equivalent to 604,364 bags or 88% of the total volume.

Mr. Lacson said the average price of the rice sold was P28 per kilo, exceeding the floor prices of P22.52-P25.16, depending on the age of the inventory.

“The strong average price of P28 per kilo, well above the set floor prices, signals firm demand despite the age of the stocks,” the NFA said.

It said 39 bidders purchased bid documents, and 19 expected to secure contracts, subject to post-qualification and validation.

Agriculture Secretary Francisco P. Tiu Laurel, Jr., who chairs the NFA Council,

said the auction’s outcome will help the NFA expand procurement from farmers.

“More important than the revenue the auction raised is the space it cleared in warehouses that will allow NFA to buy more palay from our farmers at a fair price,” he said.

The NFA said it plans to use the additional warehouse capacity to store grain procured at a minimum price of P17 per kilo for wet palay and P21 per kilo for dry palay.

“With added liquidity and expanded storage capacity in the coming months, the NFA is positioning itself to step up market intervention as harvest season advances, aiming to support farmgate prices while keeping buffer stocks manageable,” it said.

Mr. Lacson has said that the NFA is also considering shifting from centralized to regional auctions of ageing rice to speed up inventory turnover and allow more bidders to participate.

He said holding regional auctions is expected to improve efficiency and reduce congestion at the NFA central office.

The NFA said it is also considering holding auctions on a regular cycle, possibly every two months, and lowering the minimum bid volume to attract more participants. — **Vonn Andrei E. Villamiel**

## 2026 budget release rate hits 62.6%

THE Department of Budget and Management (DBM) said 62.6% of the 2026 national budget had been released by the end of January.

According to the Status of Allotment Releases report, the DBM disbursed P4.25 trillion out of the P6.793-trillion budget for the year, leaving P2.54 trillion undistributed.

The release rate was behind the 64.9% pace of January 2025.

Of the total released, P2.759 trillion went to government agencies, a category that posted a disbursement rate of 74.9%.

Meanwhile, P121.918 billion was released to Special Purpose Funds and P1.37 trillion went to automatic appropriations.

The Department of Public Works and Highways (DPWH) received only 12.1% or P63.92 billion of its P529.595 billion allocation as of last month, likely reflecting the spending safeguards set in after last year’s infrastructure corruption scandal.

The Special Purpose Fund release rate was 16.9% or P121.92 billion.

Automatic appropriations releases totaled P1.37 trillion, including P82.19 billion for government agencies’ retirement and life insurance premiums, P1.19 trillion for the National Tax Allotment, and P93.98 billion for the Block Grant. — **Aaron Michael C. Sy**

## ERC sets offshore wind ceiling price at P11/kWh

THE Energy Regulatory Commission (ERC) said the ceiling price for offshore wind projects in the fifth green energy auction round (GEA-5) at P11 per kilowatt-hour (kWh).

This exceeded the preliminary rate of P10.3859 per kWh. The ERC cited revised output estimates, reflecting new project costs and changes in inflation and foreign exchange assumptions.

In a statement on Friday, the ERC said these factors were partly offset

by the reduction or removal of some components, including the cost of equity and decommissioning costs.

The ERC said it will conduct additional consultations to finalize indexation, which is a one-time tariff adjustment mechanism that accounts for cost changes between project award and commercial operation.

“Stakeholder feedback will help ensure that the indexation framework reflects project cost realities

while maintaining consumer protection,” the ERC said.

The ceiling price, or the green energy auction reserve (GEAR) price, serves as the maximum price in pesos per kWh that will guide bidding during the auction.

The approved GEAR price will be used for GEA-5, which targets 3,300 megawatts of fixed-bottom offshore wind capacity for delivery between 2028 and 2030. — **Sheldeen Joy Talavera**

### OPINION

## Reflections on the tax audit suspension and its resumption

### IN BRIEF:

- The Bureau of Internal Revenue (BIR) suspended tax audits to address systemic weaknesses and improve the integrity of audit operations.
- The suspension was lifted with new guidelines that emphasize a single-instance audit framework, consolidation of pending audits, and a more objective selection process to enhance transparency and accountability.
- Taxpayers now must adapt to a more structured audit environment that prioritizes compliance, documentation, and preparedness, fostering a fairer tax landscape that benefits both the government and taxpayers.

The suspension of tax audits by the Bureau of Internal Revenue (BIR) was not simply an operational interruption. It was an institutional acknowledgment that something deeper needed attention.

For taxpayers and practitioners alike, it validated the long-held view that tax enforcement is only effective when grounded in a fair, consistent and well-controlled audit process. As the BIR seeks to modernize and enhance the integrity of its audit operations, both taxpayers and practitioners are left to navigate the implications of these changes.

This article explores the basis for the suspension, the resumption of audit activities, and the new framework that will govern tax audits moving forward.

The suspension was first imposed through Revenue Memorandum Cir-

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As the BIR implements these reforms, the emphasis on transparency, accountability, and fairness in the audit process is expected to foster a more equitable tax environment.

ular (RMC) No. 107-2025 on Nov. 24, following numerous concerns raised by taxpayers, stakeholders and internal units about irregular audit practices and inconsistencies across audit execution.

Through RMC No. 1092025, issued on Dec. 12, the BIR clarified that the purpose of the suspension was to address systemic weaknesses in the audit process, protect taxpayer rights, and improve the integrity of audit operations. The BIR acknowledged the need to correct operational issues and develop a more transparent, standardized and modernized audit system.

The suspension was formally lifted through RMC No. 82026 dated Jan. 27, restoring all tax audit and field operations previously suspended under RMC Nos. 1072025 and 1092025.

This included the resumption of:

- Issuance of Electronic Letters of Authority (eLAs), Mission Orders (MOs), and Tax Verification Notices (TVNs)
- Continuation of previously suspended audit cases

- Enforcement, verification, assessment, and collection activities requiring field audits

- All other actions which are necessary to protect revenue or enforce compliance.

All tax audit and related field operations must comply with the new guidelines provided under Revenue Memorandum Order (RMO) No. 1-2026, also dated Jan. 27.

RMO No. 12026 introduced a refreshed audit framework centered on consistency, control, and accountability. Among its key reforms are:

**Single-instance audit framework.** Taxpayers will now be subject to only one eLA per taxable year covering all internal revenue tax types, including value-added tax (VAT), subject to limited exceptions such as fraud cases, onetime transactions, tax clearance requests and business closure cases. This framework addresses the long-standing issue of overlapping or redundant audits.

**Consolidation of pending eLAs.** Beginning March 4, all pending eLAs for the same taxpayer and taxable year will be automatically consolidated into a single eLA unless the taxpayer opts out through a written request.

**System-assisted and anonymized selection and assignment process.** New eLAs will now be issued through a system-assisted, anonymized selection and assignment process that relies on automated risk parameters. This reduces discretion, minimizes potential manipulation, and supports a more objective audit selection process.

**Removal of VAT audit sections and audit task forces.** The BIR abolished the VAT Audit Sections and other audit task forces, confining audit authority to the Large Taxpayers Service and regional offices to ensure clearer oversight.

**Proper audit and assessment procedures.** The RMO required the use of standardized audit checklists, complete documentation of audit activities, and signed minutes of discussions by both the taxpayer and the Revenue Officer. It also prohibits the issuance of unreasonable assessments. Assessment notices must address only the issues that remain unresolved after the discrepancy discussion and must clearly present their factual and legal bases, in compliance with due process requirements.

The resumption of audits under this revised framework marks a shift not only in policy but in tax audit culture. What began as a temporary stop has become a pivotal point, reshaping expectations for both the BIR and the taxpayers it oversees.

Moving forward, taxpayers can expect:

- More structured and transparent audits
- Closer scrutiny of both factual findings and legal bases
- Greater emphasis on documentation and record-keeping
- Stronger accountability and oversight from revenue officers

With RMC No. 82026 lifting the audit suspension and RMO No. 12026 reshaping the audit system into one that is more data-driven, risk-based, and ac-

countable, taxpayers now operate in a more rigorous landscape.

In this environment, preparedness is more than a defensive measure. It is a strategic practice that safeguards business continuity, supports compliance, and strengthens trust in the tax system. A tax audit may begin with the BIR, but the advantage always belongs to the taxpayer who is ready.

As the BIR implements these reforms, the emphasis on transparency, accountability, and fairness in the audit process is expected to foster a more equitable tax environment. Taxpayers must adapt to this new framework by enhancing their compliance practices and ensuring that they are well-prepared for audits.

The changes signal a commitment to a more robust and trustworthy tax system that benefits both the government and the taxpayers it serves. By embracing these developments, stakeholders can work collaboratively towards a more efficient and fair tax landscape.

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