

More grid alerts expected as El Niño progresses

THE Department of Energy (DoE) is projecting more grid alerts in the second half of the year, as the El Niño dry spell takes hold, pushing up power demand.

At a briefing on Monday, Energy Undersecretary Felix William B. Fuentebella said the DoE is projecting at least one yellow alert on the Luzon grid, along with seven in the Visayas and six in Mindanao.

The Visayas grid is expected to experience six red alerts, threatening power interruptions in the islands, which typically import power from Luzon and Mindanao.

A red alert is issued when the available power supply is insufficient to meet consumer demand and the required operating reserves. A yellow alert is declared when operating re-

serves fall below the required contingency level.

“Our power sector is preparing for El Niño scenarios. (We) are working together to respond to the challenges brought about by the shift of the season going to El Niño,” Mr. Fuentebella said.

El Niño increases the possibility of drier-than-usual conditions, which can lead to droughts and dry

spells, as well as fewer but potentially stronger tropical cyclones.

The Philippines last experienced an El Niño event in 2023-2024, the most recent period red alerts were issued.

On Monday, the National Grid Corp. of the Philippines placed the Visayas grid on yellow alert as power supply tightened following forced outages at some power

plants alongside high electricity demand.

The Visayas grid was on yellow alert between 3 p.m. to 9 p.m., with available capacity totaling 2,683 megawatts (MW), against demand of 2,585 MW.

Last week, rotational brown-outs lasted two to three hours after red alerts were raised in three consecutive days.

Energy Undersecretary Rowena Cristina L. Guevara said grid alerts may put upward pressure on next month's electricity bills.

“Potentially, (there could be an increase) because we were on red alert. We need to run on more expensive power plants, like those powered by diesel,” she said. — **Sheldeen Joy Talavera**

NFA hits only 4.2% of palay procurement target

THE National Food Authority (NFA) said it managed to procure palay (unmilled rice) equivalent to 4.2% of its target in the year to date ending early May, with private traders outbidding the agency to accumulate stock in the wake of the rice import ban.

During the period, the NFA bought 13,127 metric tons (MT) of palay, against a target of 313,315 MT.

NFA Administrator Larry R. Lacson said aggressive buying by private traders drove farmgate prices higher, forcing the grains agency to offer P30 per kilo for clean and dry palay in April. The higher offer price was also

prompted by the rise in production costs in the wake of the Iran war.

The Philippine Statistics Authority reported that the average price of palay dropped 30.5% year on year to P15.60 per kilo in September, before the rice import ban that ended in January.

Average farmgate prices have since climbed to P23.31 in April 2026, posting a P7.71 difference from the September reading and a 29.2% year-on-year surge.

Mr. Lacson said the NFA does not view the situation negatively, noting that farmers benefited from stronger market prices while

the agency preserved funds for purchases later in the year.

He added that around 15% of expected production during the current dry season has yet to be harvested, with the NFA continuing to buy what it can to support farmers.

Following the price cap on imported rice ordered last week, the NFA has since purchased 11,301 MT to replenish its reserves.

The NFA's rice inventory stood at 6.75 million bags, or 337,618 MT, equivalent to 8.74 days of demand. — **Pierce Oel A. Montalvo**

New Budget chief set for swearing in

PRESIDENT Ferdinand R. Marcos, Jr. appointed University of the Philippines (UP) assistant professor Kim Robert C. de Leon as the new budget secretary, replacing Acting Secretary Rolando U. Toledo, Malacañang confirmed on Monday.

Mr. de Leon becomes the youngest member of the Marcos Cabinet. He will take his oath before the President on Tuesday.

“A career public servant, Secretary de Leon is recognized for his work in fiscal management, organizational reform and digital transformation,” Palace Press Officer Clarissa A. Castro said at a briefing.

Mr. de Leon graduated magna cum laude and valedictorian from the UP National College of Public Administration and Governance (NCPAG).

He also topped the 2016 Environmental Planning Licensure Examination.

Mr. de Leon holds master's degrees in urban and regional planning and public safety administration.

He also has a certificate in business process management from the Queensland University of Technology in 2021, which he attended as an Australia Awards scholar.

According to the NCPAG's website, Mr. de Leon served as undersecretary of the Department of Budget and Management (DBM), handling the Organization and Systems Improvement and Information and Communications Technology Groups.

He was also undersecretary for administration and finance of the Department of Transportation.

In a separate statement, Mr. Toledo said: “I extend my wholehearted support to the new DBM Secretary and remain confident in the Department's continued pursuit of sound, transparent, and people-centered governance.”

He said he maintains his commitment to public service.

Mr. Toledo had replaced Amenah F. Pangandaman, who stepped down in the wake of the flood control corruption scandal. — **Chloe Mari A. Hufana**

Bol's Rodolfo meets with Israeli tech, blue-economy companies

CEFERINO S. RODOLFO, Board of Investments (BoI) managing head and Trade undersecretary, met in Tel Aviv with Israeli technology, cybersecurity, semiconductor, and blue-economy companies to explore investment and technology collaboration opportunities with the Philippines, the Department of Trade and Industry (DTI) said in a statement.

Mr. Rodolfo met with semiconductor and microchip design companies Tower Semiconductor, Next Silicon, and Ci Semi to explore collaboration with Philippine semiconductor manufacturers, particularly in production and supply chain integration, the DTI said.

Mr. Rodolfo pitched the 4,000-acre Philippine-US Eco-

nomics Security Zone in Clark, which is being positioned as the first AI-native industrial acceleration hub under the Pax Silica Initiative.

Mr. Rodolfo also sought out Israel's blue economy industry for possible technology collaboration in fisheries, shipping, and port logistics. He met with the Israel National Center of Blue

Economy on research initiatives, as well as with biotech firm Bar Algae, whose microalgae has aquaculture applications.

Mr. Rodolfo was in Israel to advance trade and technology cooperation and to discuss Israel's Pax Silica programs, particularly involving microchip production, advanced computing, and AI development.

PHL smallholder farmers need more freedom to use, lease land — ex-official

THE AGRICULTURE industry suffers from lack of scale stemming from restrictive land policies, as well as insufficient infrastructure, causing it to lag neighbors like Thailand and Vietnam, according to Mercedesita A. Sombilla, a former Agriculture undersecretary who also served with the National Economic and Development Authority.

Speaking at a Fireside Chat at the BusinessWorld Economic Forum on Monday, Ms. Som-

BusinessWorld Economic Forum

billa, currently the director of the Southeast Asian Regional Center for Graduate Study and Research in Agriculture, said growth in agriculture remains “elusive,” citing negative trends in the industry's gross

domestic product (GDP) contributions.

“Vietnam for example was able to take advantage of economies of scale, and Thailand was able to improve its infrastructure, training, and cold storage.”

The weak contribution to GDP means the industry is underperforming relative to the size of its workforce. Agricultural workers made up nearly 20% of the overall workforce, numbering 9.36 million as of March.

Ms. Sombilla said that reforms should enable smallholder farmers to exert more control of their land and offer them opportunities to expand beyond their current five-hectare land limit.

“If these farmers could lease their land, and control bigger pieces of land, then that can improve their economies of scale.”

Ms. Sombilla advocated for more investment in infrastructure such as irrigation and cold storage.

“We are facing right now El Niño and geopolitical tensions...

but we also have the lingering effects of avian flu and African Swine Fever (ASF).”

Ms. Sombilla said that solving land fragmentation could encourage the private sector to invest in agriculture.

“The private sector cannot get into agriculture because of this fragmentation of land. If we can solve that, and let farmers decide how they want their land to be developed, then I think the private sector can really come in.” — **Pierce Oel A. Montalvo**



OPINION The shift to e-invoicing and electronic sales reporting

Every sales transaction tells a story and soon, the Bureau of Internal Revenue (BIR) will hear about it almost instantaneously.

The Philippines is entering a pivotal phase in its shift toward digital tax administration, anchored on Republic Act (RA) No. 12066, or the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinventing the Economy (CREATE MORE) Act and implemented through Revenue Regulations (RR) No. 112025. The transition to mandatory electronic invoicing (e-invoicing), followed by mandatory electronic sales reporting upon the availability of a BIR established system, underscores a broader policy ambition to redefine how transactional data is captured, exchanged, and analyzed within the tax compliance framework.

As implementation progresses, compliance readiness emerges as the central concern. This raises the question of whether both covered taxpayers and the government are prepared to operate in a near real-time reporting, increased transparency, and heightened regulatory environment.

HOW WE GOT HERE

The journey towards e-invoicing began in 2018 with the signing of RA No. 10963, or the Tax Reform for Acceleration and Inclusion (TRAIN) Act, which tasked the BIR with adopting, within five years from effectivity of the TRAIN and upon establishment of a system capable of storing and processing required data, automated invoicing and electronic sales reporting to modernize tax administration and strengthen revenue collection.

LET'S TALK TAX DANA DANIELLE F. UGANIZA

In 2022, the BIR launched an Electronic Invoicing/Receiving System (EIS) pilot involving selected large taxpayers. Technical challenges and system limitations, however, led to the suspension of the program by late 2023.

Regulatory momentum resumed in 2025 with the issuance of RR No. 112025, as amended by RR No. 262025, which extended the deadline for mandatory e-invoicing to Dec. 31, 2026. The extension acknowledged the time needed not only by taxpayers but also by the government.

E-INVOCING AND ELECTRONIC SALES REPORTING

RR No. 11-2025 defines an electronic invoice as a record evidencing the sale, exchange, or transfer of goods or property, the rendition of services, and/or the lease or use of property, issued in the course of trade or business. To qualify as a valid electronic invoice, it must be system-generated through BIR-registered or accredited software, contain information required under existing laws, and produce structured data capable of electronic transmission to the BIR. The adoption of e-invoicing is expected to enhance tax compliance by reducing manual errors, standardizing invoice data, and strengthening audit trails.

E-invoicing, however, is only one component of a broader reform agenda. The larger objective is near real-time visibility of transactions through electronic sales reporting. Upon availability of a BIR-established system, covered

taxpayers will be required to transmit transaction data directly from their systems to the BIR, significantly reducing reliance on manual encoding and thereby improving the accuracy, consistency, and reliability of tax reporting.

As of 2026, the implementation of the Electronic Sales Reporting System (ESRS) remains contingent on government-side platform readiness which underpins the phased approach to mandatory compliance.

WHO MUST COMPLY BY DEC. 31, 2026?

Under RR No. 112025, as amended by RR No. 262025, the initial phase of mandatory e-invoicing effective Dec. 31, 2026, applies to the following taxpayers:

- Taxpayers engaged in e-commerce or internet transactions (excluding micro taxpayers);
- Taxpayers under the jurisdiction of the Large Taxpayers Service (LTS);
- Large taxpayers as defined under RA No. 11976, or the Ease of Paying Taxes (EoPT) Act; and
- Businesses using Computerized Accounting Systems (CAS), Computerized Books of Account (CBA), or invoicing software.

Other taxpayer groups such as exporters, registered business enterprises (RBEs), point of sale (PoS) users, and other taxpayers as may be determined by the Commissioner, will be phased in once a BIR-established system becomes available and a separate regulation is issued.

ARE PHILIPPINE BUSINESSES READY?

Despite the extended transition period, questions remain regarding the readiness of Philippine businesses for mandatory e-invoicing. Many covered taxpayers continue to face uncertain-

ty arising from evolving and at times, overlapping issuances, coupled with the limited availability of detailed technical and procedural guidelines.

A key source of uncertainty lies between RR No. 8-2022 and RR No. 11-2025, as amended. Under RR No. 8-2022, the BIR prescribed policies and guidelines on the issuance of e-invoices, CAS registration, and the transmission of sales data through a Sales Data Transmission System to the BIR's EIS.

For taxpayers previously compliant with RR No. 82022, this shift raises a regulatory gap as to (1) which of the earlier guidelines continues to apply, (2) whether existing CAS registrations remain sufficient, or (3) whether system reconfiguration or even replacement is required. A practical approach to assessing compliance is to evaluate whether current systems meet RR No. 112025 requirements, particularly in relation to electronic data transmission. End-to-end testing, however, remains constrained as the ESRS has yet to be fully established.

Beyond technical preparedness, taxpayers have consistently raised operational and compliance risk concerns. These include the absence of finalized technical specifications which has discouraged businesses from committing to costly system upgrades that may later require revision, as well as uncertainty over potential penalty exposure during the transition period where non-compliance may stem from system limitations or delayed regulatory guidance rather than intent.

In this context, readiness for mandatory e-invoicing should not be viewed solely from the perspective of taxpayer preparedness but also from the standpoint of the government's implementation read-

iness. While the BIR has demonstrated strong momentum in tax digitalization, the transition to e-invoicing, and subsequently electronic sales reporting, represents a higher level of technical and systems integration complexity.

LOOKING AHEAD

The shift to e-invoicing and electronic sales reporting is widely regarded as both necessary and inevitable with the potential to deliver improvements in audit trail integrity, transactional transparency, and data-driven revenue administration. At the same time, it highlights a recurring challenge in tax reform: balancing reform momentum with regulatory and implementation clarity.

As the 2026 deadline approaches, readiness will depend not only on technology but on clarity, consistency, and institutional confidence. In the end, modernizing tax administration is as much an exercise in confidence-building as it is in digitalization. Without that foundation, even the most advanced digital systems risk hindering compliance rather than enabling an effective and efficient tax environment.

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