

BPO industry targets up for review due to rapid technological change

By Beatriz Marie D. Cruz
Senior Reporter

THE IT and Business Process Association of the Philippines (IBPAP) said it expects to update the projections contained in its information technology-business process management (IT-BPM) industry roadmap, citing the rapid pace of change due to artificial intelligence (AI).

"As of 2026, we are meeting our baseline projections," IBPAP President and Chief Executive Officer Jonathan R. Madrid said during the AI & Skills Summit on Monday.

The roadmap for IT-BPM, also known as the Business Process Outsourcing (BPO) industry, projects staffing of 2.5 million and revenue of \$59 billion by 2028. In 2025, industry headcount was 1.9 million, while revenue grew to \$40 billion, IBPAP said.

"We're not going to rest on our laurels because technology is changing faster than we can ever imagine," he noted. "In fact, this has caused us to refresh our roadmap after three years, and our projections will be shared in a couple of weeks."

AI has been disrupting the industry by automating repetitive and voice-based jobs.



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Mr. Madrid said the Philippines should aspire to be among the world's best AI-augmented workforces.

"That will require continuous learning, stronger institutions, deeper technical capability, ethical governance, and a leadership that is willing to move with urgency," he said.

"In the AI economy, learning velocity becomes an economic advantage," Mr. Madrid said.

Despite the rise of AI, Mr. Madrid noted the importance of human judgment in decision making.

"We have all heard of the term 'human-in-the-loop.' But

we need to think bigger than that. What the world needs is humans-at-the-core of trust, judgment, governance, and all decisions that matter the most," Mr. Madrid said.

Management Association of the Philippines President Donald Patrick L. Lim noted that AI cannot replace soft skills like creativity, adaptability, and English fluency.

"We are relationally intelligent. The Filipino capacity for human connection, for work, family, and building trust across cultures is precisely what the most advanced AI systems still

cannot accomplish," he told the forum.

As AI takes over manual, repetitive tasks, IT-BPM firms must advance to higher-tier outsourcing — handling more complex and knowledge-intensive work, Mr. Lim said.

He cited the need for companies to train employees on human relational skills, critical thinking and problem solving.

"What's scary is when humans accept AI as the final source without undergoing any critical thinking," he said on the sidelines of the forum.

The Technical Education and Skills Development Authority (TESDA) said it is supporting workers at risk of displacement due to AI, such as BPO employees and returning overseas Filipino workers affected by the Middle East war.

TESDA said it is leveraging enterprise-based training authorized by Republic Act No. 12063 or the Enterprise-Based Education and Training Framework Act, which seeks to align industry needs with the available skills, TESDA Deputy Director General Galo B. Gino III told the forum.

He noted that IBPAP member firms have registered 85 enterprise-based education and training courses to date.

PAGCOR updates regulations for gaming operators

THE Philippine Amusement and Gaming Corp. (PAGCOR) said it is regulating gaming operators more closely, introducing new fees for venue changes, imposing anti-money laundering compliance rules, and controlling their advertising.

"Processing fee shall be paid to PAGCOR in compliance with the application requirements for relocation, expansion, or reduction of gaming venue area within the same building, compound, or complex," PAGCOR said in a memorandum.

PAGCOR said operators seeking to relocate, expand or reduce gaming areas within the same building, compound or complex must pay a P50,000 processing fee. This is separate from the current P50,000 inspection fee required for transfers of gaming venue.

The revised rules also strengthen coordination between PAGCOR and the Bangko Sentral ng Pilipinas (BSP) in monitoring compliance with anti-money laundering regulations.

PAGCOR said BSP-supervised financial institutions (BSFIs) accredited as support

service providers must comply with Anti-Money Laundering Council rules applicable to their business activities.

"BSFIs accredited as support service providers shall be governed by the applicable Anti-Money Laundering Council rules and regulations relevant to their specific BSFI business activities," it said.

"Any noncompliance therewith shall be reported by the BSP to PAGCOR Anti-Money Laundering Supervision and Enforcement Department and may constitute grounds for the imposition of corresponding penalties, as prescribed," it added.

The revised rules also require payment gateway providers to submit their latest BSP licenses instead of BSP-issued registration certificates.

PAGCOR also upgraded advertising rules by requiring prior approval for general announcements and the advertising of online gaming platforms released through mass media.

The amendments will take effect five days after publication on PAGCOR's website. It was posted on May 26. — **Justine Irish D. Tabile**

DBCC adjusts fiscal targets, Palace says

THE Development Budget Coordination Committee (DBCC) adjusted its fiscal targets following a weaker-than-expected first-quarter growth and surging inflation in the face of the Middle East crisis, the Palace said on Monday.

Citing Budget Secretary Kim Robert C. de Leon, Palace Press Officer Clarissa A. Castro said the DBCC's meeting with President Ferdinand R. Marcos, Jr. resulted in redrawn targets, though she did not elaborate.

"The DBCC met to recalibrate assumptions based on (the) latest developments on economic growth, inflation rates, foreign exchange and oil prices," she said at a briefing.

"The committee has agreed to further study the effects of these variables on the country's fiscal position in the short and medium term. Recalibrated figures will be finalized to serve as input for the preparation of the 2027 budget," Ms. Castro added.

Inflation accelerated to 7.2% in April, the highest in three

years. May inflation will be released on June 5.

The peso repeatedly tested lows on the way to closing at a record P61.75 on May 19.

On Monday, the peso closed at P61.746 against the dollar.

Meanwhile, Mr. Marcos also met with Bangko Sentral ng Pilipinas (BSP) Governor Eli M. Remolona, Jr. last week.

"As always, the Governor briefed the President on the BSP's primary mandate, which is inflation: Its causes, led by the (Middle East) conflict, and

the various data and scenarios the BSP is analyzing ahead of its next monetary policy meeting," Ms. Castro said via Viber.

The Monetary Board is scheduled to hold its next meeting on June 18.

On Monday, the central bank said it is weighing a stronger policy response as inflation risks mount, with officials warning that rising food, fuel and transport costs could keep price pressures elevated and threaten to unanchor inflation expectations. — **Chloe Mari A. Hufana**



PHILIPPINE STAR/ANGIE DE GUZMAN

Market visits yield no violation notices in initial round of P50-per-kg rice enforcement

THE Department of Agriculture (DA) said inspection visits it conducted at various Metro Manila public markets yielded no violation notices, though some rice dealers found charging more than the P50 price cap for imported grain were not issued citations because they were disposing of stock purchased at higher prices.

At Commonwealth Market in Quezon City, Assistant Agriculture Secretary for Operations U-Nichols A. Manalo and Undersecretary for Operations Roger V. Navarro visited five rice stalls, along with other government officials, officers from the Philippine National Police and the market's administration.

Mr. Manalo told reporters that the other violations by some sellers included improper labeling.

He said the vendors charging more than P50 per kilogram (kg) for imported rice had purchased their stock in April and had not disposed of the expensive inventory due to a slowdown following the fire that hit parts of the market on April 25.

"I hope from this day on they will follow the price cap and, at the same time, change the color-coding of their labels so that our consumers will see that there is cheap rice," Mr. Manalo told reporters.

The DA handed out flyers notifying dealers of the price cap and the color-coded labeling scheme. Under this system, domestically-grown rice must carry white labels, to distinguish them from the price-capped imported rice, which must carry blue labels and place of origin. — **Marron Joshua F. Mendoza**

Offline Visayas power plants nearing return to operation

TWO KEY power plants which have been out of commission in recent weeks are returning online this month and in early July, Energy Undersecretary Mario S. Marasigan said at a briefing on Monday.

Mr. Marasigan said KEPCO SPC Power Corp. Unit 2 is set to return to operations on June 2 while Unit 3 of the Panay Energy Development Corp. facility will resume operations by July 3.

Units 1 and 2 of Therma Visayas, Inc., meanwhile, are

targeted to be operational by August.

The multiple outages of Visayan plants was the main factor behind the Visayas grid's 17 yellow alerts in May.

The National Grid Corp. of the Philippines issued a yellow alert over the Visayas grid on Monday, as the margin between available power and projected demand thins. Yellow alerts are issued when the power reserve margin falls below a set threshold.

"Our main concern as far as the grid system is concerned is the Visayas," Mr. Marasigan said, adding that the actual supply at the moment is "quite below the peak."

He said that electricity demand is currently 2,700 megawatts (MW), exceeding supply of 2,044 MW and forcing the Visayas grid to import power from the other grids.

According to the Department of Energy (DoE), the link between the Mindanao and Vi-

sayas grids is currently operating at its full transfer capacity of 450 MW.

Meanwhile, the Luzon grid continues to operate normally, with supply at 16,614 MW against demand of 14,534 MW, for a reserve level of more than 2,000 MW.

However, Mr. Marasigan noted that hydropower generation in Luzon has been affected by below-normal water levels in key reservoirs. — **Sheldeen Joy Talavera**

OPINION

Closing a business made easier by RMC No. 47-2026

Closing a business in the Philippines may no longer be as complicated as it once was, after the Bureau of Internal Revenue (BIR) issued Revenue Memorandum Circular (RMC) No. 47-2026 on May 19.

The circular introduces revised guidelines that make it easier for businesses to process their applications for closure and/or cancellation of taxpayer's business registration with the Bureau of Internal Revenue. The RMC was issued under the authority of the Ease of Paying Taxes Act, which seeks to streamline the process and reduce bureaucratic hurdles.

RMC No. 47-2026 allows taxpayers to file their application for closure either manually with the Revenue District Office (RDO) where their head office or branch is registered, or electronically. Electronic filing may be done through RDO's official e-mail address, or through the BIR's electronic registration facilities, i.e., the Taxpayer Registration-Related Application (TRRA) Portal, and

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Online Registration and Update System (ORUS).

Notably, taxpayers must submit an application form with all required documents. In addition, they need to manually submit to their RDO: a) the list of ending inventory of goods and supplies, including capital goods for VAT-registered taxpayers, the unused invoices, supplementary documents, and other unutilized accounting forms, together with the inventory thereof; b) original BIR registration documents and permits.

Another key feature of the circular is the immediate relief from the requirement to file tax returns as soon as the taxpayer submits complete requirements for closure. Prior to the RMC, the taxpayer had to go through various compliance stages before the BIR tags the taxpayer as a "stop filer."

During this process, taxpayers are subject to penalties for failing to file tax returns.

The RMC stipulates that the taxpayer's registered form types must be tagged as "deregistered" upon submission of the complete documentary requirements to ensure that no open cases are generated. Hence, penalties for non-filing of returns will no longer accrue thereafter.

The RMC also introduced faster processing timelines. Micro taxpayers — generally those with annual gross sales not exceeding P3 million or whose gross assets upon retirement do not exceed P8 million — can receive their tax clearance within three working days, provided they have no open cases or outstanding obligations. More importantly, they will no longer be subject to mandatory audits as part of the closure process.

For other taxpayers, the Tax Clearance will be issued and the closure or business registration cancellation process completed only after the termination of the audit.

Taxpayers who stop operations without formally closing their BIR registration remain liable for all tax obligations, including return filing, tax payments, and penalties, until the closure or cancellation of their business registration is completed.

For micro, small, and medium enterprises (MSMEs) in particular, the reform could have a meaningful impact. Many small entrepreneurs who were forced to shut down — especially following economic disruptions in recent years — have struggled to formally close their registrations, leaving them exposed to penalties and administrative complications.

With the new guidelines in place, more taxpayers are expected to regularize their records without facing unnecessary delays or additional financial burden.

Overall, the RMC reflects a pragmatic shift toward a more responsive and taxpayer-friendly regulatory environment. By streamlining procedures without compromising audit safeguards, the BIR

strikes a balanced approach of promoting both compliance and administrative efficiency.

Moving forward, this reform is expected to encourage greater voluntary compliance, reduce lingering inactive registrations, and strengthen the integrity of the tax system. Ultimately, it signals a welcome recognition that ease of doing business should extend not only to entry but also to exit, fostering a more dynamic and resilient entrepreneurial landscape.

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