

# BoC target raised by P7 billion following latest DBCC meeting

THE Bureau of Customs (BoC) said its revenue target has increased by around P7 billion following the latest Development Budget Coordination Committee (DBCC) meeting.

"They considered all collection efficiencies, inflation, the usual," BoC Commissioner Ariel F. Nepomuceno said at a forum organized by the European Chamber of Commerce of the Philippines.

The Palace said on Monday that the DBCC has revised its macroeconomic assumptions, though the updated figures have yet to be released.

The P7 billion adds to the P1,003 trillion previous target.

Mr. Nepomuceno said that the agency is running about P11.3 billion ahead of target in the first five months.

"Between Jan. 1 this year and today, we were able to establish a

record-breaking surplus of P11.3 billion," he said.

"When you reform the bureau, we collect more," he added, attributing the performance to the BoC's strict assessments and counter-checking of declarations.

"We are coming from an environment of distrust so you still have to do a lot of checks and balances. We are doing that...we have mechanisms to countercheck what's being declared," he added.

The bureau has officially reported total collections of P328.81 billion in the first four months, against the P314.66-billion target for the period. It has yet to officially report collections for the first five months.

Meanwhile, he said the BoC is poised to roll out the first phase of the Customs Processing System next year. — **Justine Irish D. Tabile**



BUREAU OF CUSTOMS PH FACEBOOK ACCOUNT  
CUSTOMS Commissioner Ariel F. Nepomuceno and NBI Director Melvin A. Matibag led the inspection of P35.4 million worth of imported agricultural products seized from a cold storage facility in Nueva Ecija, as part of efforts to enforce customs laws and support food security.

## Uniqlo Philippines eyes skills training for 3,000 youth in Manila, Valenzuela

UNIQLO Philippines is planning to provide technical skills training to over 3,000 youth in Manila and Valenzuela cities to boost their employment and entrepreneurial opportunities.

In a briefing on Wednesday, UNIQLO Philippines Chief Operating Officer Geraldine Sia said the program marks its first initiative in the Philippines under the Japanese retailer's UNIQLO PEACE FOR ALL program.

"We chose youth employability and skills development as the focus of our first initiative in the Philippines," she said. "It allows Uniqlo to translate global purpose into locally relevant action," she added.

Uniqlo Philippines will carry out the program after signing a memorandum of agreement with nongovernment organization Plan International Pilipinas.



The partners will provide skills training to participants aged 18 to 30 based in the two cities for a three-year period.

It said the youth face many barriers to employment like limited access to skills training, Ms. Sia said.

Cathy Seco, project director at Plan International Pilipinas, said the initiative will target marginalized groups, especially those who are not in school. — **Beatriz Marie D. Cruz**

## BIR classifies some foreign affiliates as digital service providers for VAT purposes

THE Bureau of Internal Revenue (BIR) said foreign affiliates involved in cross-border cost-sharing arrangements may be treated as nonresident digital service providers (NRDSP) which will require them to register with the agency.

On Tuesday, the BIR issued Revenue Memorandum Circular No. 059-2026 to further clarify provisions related to the imposition of the value-added tax on digital services.

It said foreign affiliates involved in a cost-sharing arrangement will be required to register with

the BIR if the exert control over key aspects of the service delivery such as setting price, payment terms and delivery conditions.

"In any case, since this is a business-to-business transaction, the Philippine subsidiary, under the reverse charge mechanisms, shall be liable for filing the required value-added tax (VAT) return and withholding and remitting the 12% VAT due on the cost of the digital service charged to it," it said.

Meanwhile, NRDSPs providing services that qualify for VAT exemption, must still file returns indicating the sales as "VAT-exempt."

The circular also clarified that e-marketplaces can be liable for VAT even without receiving customer payments.

It said e-marketplaces may still be considered digital service providers "even if they do not directly receive payments for the digital services sold through its platform since it collects the VAT payments in advance."

"In such case, the e-marketplace that collects VAT payments in advance shall be liable to file BIR Form 2550-DS and remit the 12% VAT on the covered business-to-consumer transac-

tions," it added, referring to the VAT return form for NRDSPs.

It also clarified that tax treaty benefits do not exempt foreign digital service providers from VAT.

According to the circular, a firm delivering services to consumers in the Philippines is subject to VAT on digital service even if they are from a country covered by a tax treaty.

"Tax benefits, either preferential tax rate or tax exemption, under a tax treaty cover only income tax," the BIR said. — **Justine Irish D. Tabile**

## Farmer fuel subsidy gets P25-million funding boost

THE Department of Agriculture (DA) on Wednesday announced that it obtained an additional P25 million in funding for farmer fuel subsidies.

DA Spokesperson and Assistant Secretary for Special Concerns and Official Development Assistance Arnel V. De Mesa told reporters that the supplement-

ary funding came on the back of a Special Allotment Release Order, with the cash expected to be released within the month.

The subsidy program provides each farmer with P5,000 in cash.

He said the DA had originally sought an additional P30 billion for fuel subsidies as prices for petroleum and fertilizer rose

sharply due to the fighting in the Middle East, but congressional hearings for these requests were delayed.

"It is important for it to be released because right now, farmers need fuel subsidies since the period of land preparation and crop establishment had begun, where a lot of machinery will be needed,

so that's important," Mr. De Mesa told reporters.

Mr. De Mesa said farmers eligible for the subsidy must be enrolled in the Registry System for Basic Sectors in Agriculture and must either own or rent farm machinery to avail of the fuel subsidy. — **Marron Joshua F. Mendoza**

## AirAsia says flights continue despite shutdown order

PHILIPPINES AirAsia, Inc. said it remains fully operational after reports that the Civil Aviation Authority of the Philippines (CAAP) had issued a cease-and-desist order over unpaid obligations.

The low-cost carrier assured passengers that flights across its network would continue as scheduled.

"AirAsia Philippines assures the traveling public that it remains fully

operational, with flights and services continuing as scheduled across its network, subject to normal operational considerations such as weather and other standard factors affecting airline operations," the company said in a statement on Wednesday.

The statement followed a Politiko report that CAAP had issued a cease-and-desist order dated June 2 direct-

ing the airline to halt operations at airports within three days of receiving the notice.

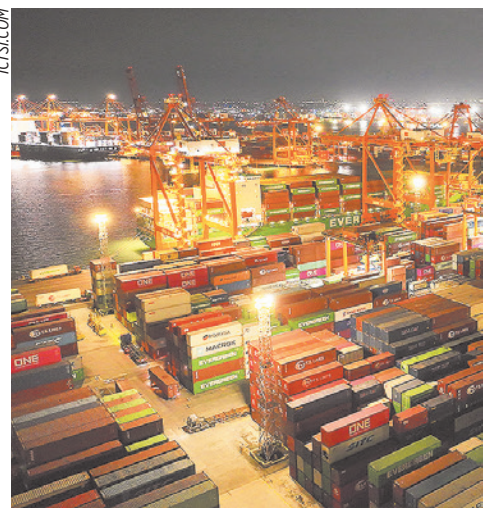
The airline owes P271.94 million in airport fees and other charges dating back to 2021, according to the report.

CAAP had yet to issue a statement on the matter.

In March, CAAP said it had sent a collection letter to AirAsia Philip-

ines over unpaid obligations, including airport fees and unremitted passenger charges amounting to P833.66 million.

Founded in 2001, AirAsia operates low-cost airline businesses in Malaysia, Thailand, Indonesia, the Philippines and Cambodia. Its Philippine affiliate began operations in 2012. — **Sheldeen Joy Talavera**



## ICTSI unit adds hybrid carriers at Melbourne terminal

INTERNATIONAL Container Terminal Services, Inc. (ICTSI) said its Australian unit has deployed additional hybrid automatic container carriers at its Melbourne terminal as part of a capacity expansion program.

In a statement on Wednesday, ICTSI said Victoria International Container Terminal Ltd. added the carriers to help raise annual terminal capacity to more than 1.6 million 20-foot equivalent units while improving operational efficiency and sustainability.

Victoria International Chief Executive Officer Bruno Porchietto said the investment supports the terminal operator's long-term environmental and operational targets.

"This investment reflects our commitment to expanding terminal capacity, improving efficiency and adopting technologies that lessen the environmental impact of our operations," he said.

The hybrid carriers were supplied by Kalmar Corp. and are designed with twin-box lifting capability of up to 60 tons.

The equipment uses lithium-ion battery systems that allow energy recovery during operations, resulting in about 40% higher energy efficiency and as much as 50 tons less carbon emissions per unit annually.

Victoria International is Australia's first fully automated container terminal and forms part of ICTSI's global portfolio of 34 terminals across 20 countries.

ICTSI was established in 1987 and operates port facilities across Asia, Europe, the Americas, Africa and Oceania.

ICTSI shares rose 5.42% to close at P875 each on the Philippine Stock Exchange. — **Sheldeen Joy Talavera**

## Courts reject PrimeWater bid to block LGU water takeover

TWO regional trial courts have dismissed pleas filed by PrimeWater Infrastructure Corp. seeking to stop the San Jose del Monte City government in Bulacan from taking over local water operations.

The trial courts in Bulacan and Las Piñas separately denied PrimeWater's requests for a 72-hour temporary restraining order and preliminary injunction against the takeover, the local government unit (LGU) said in a statement on Wednesday.

The cases stemmed from the city government's notice last month announcing it would assume control of water supply operations previously handled by PrimeWater and the city's water district.

The water district earlier terminated its 25-year joint venture agreement with PrimeWater, citing inadequate and inconsistent water service.

In its petition before the Bulacan court, PrimeWater argued that the takeover would harm consumers and prevent it from completing water system projects, while also causing financial losses.

The court rejected the plea, saying the company has failed to show a clear violation of legal rights or demonstrate irreparable harm.

After the Bulacan ruling, PrimeWater filed a similar petition in Las Piñas, where its main office is based. The court also dismissed the case in a decision dated June 2.

"The plaintiff in this case was not able to prove all requisites for the issuance of a temporary restraining order," according to a copy of the Las Piñas court order provided by San Jose del Monte City. "It failed to show any grave irreparable injury unto its company."

San Jose del Monte Mayor Florida P. Robes said the rulings would allow the local government to proceed with efforts to improve water services.

"This affirms the authority of the local government to act to protect the general welfare" she said in the statement. "Our people have waited long enough, and we will not allow legal maneuvers to delay urgent action."

A PrimeWater spokesperson did not immediately reply to an e-mail seeking comment.

PrimeWater serves more than 1.7 million households and supplies about 500 million liters of water daily across more than 100 water districts nationwide, including in Bulacan, Batangas and Laguna.

In December last year, the Villagar group announced plans to sell PrimeWater to Lucio L. Co-led Crystal Bridges Holdings Corp. following the signing of definitive agreements. — **Sheldeen Joy Talavera**

## DoE sues Solar Philippines unit over undelivered Mindanao solar project

THE Department of Energy (DoE) has filed a complaint against businessman-turned-politician Leandro Antonio L. Leviste and his company for allegedly failing to deliver a committed solar project in Mindanao under the government's green energy auction program.

In a 55-page complaint filed before the Regional Trial Court of Taguig City, the DoE alleged that Solar Philippines Commercial Rooftop Projects, Inc. (SPCRPI) and its affiliates failed to fulfill obligations tied to the General Santos Solar Power Project.

The project was supposed to deliver 120 megawatts of capacity to the Mindanao grid by Dec. 25, 2025 after securing a contract under the first Green Energy Auction Program in 2022.

"They not only failed to deliver, they also did not [promptly] inform



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the plaintiff of its inability to perform, ultimately allowing the project to fail on the delivery commencement date," according to a copy of the civil complaint provided by the agency.

Mr. Leviste did not immediately respond to a call and Viber message seeking comment.

The agency said the alleged failure affected efforts to expand renewable energy capacity and strengthen the country's energy security.

The DoE is also seeking at least P1.185 billion in damages, equivalent to the value of the project's performance bond, which was meant to guarantee

completion of the facility but has already expired.

"While the defendants' performance bond expired, this did not extinguish their liabilities arising from breach of contract," the agency said.

"Thus, the defendants are still liable for actual damages which should be, at least, not lower than, the value of the performance bond," it added.

The DoE said SPCRPI assigned the project to Solar Philippines Southern Mindanao Corp., which is owned by Solar Philippines Power Project Holdings, Inc. founded by Mr. Leviste.

The DoE is also seeking to hold Mr. Leviste personally liable, alleging that he owns SPCRPI and exercises direct control over the companies involved in the project. — **Sheldeen Joy Talavera**