



필리핀한인상공회의소뉴스

KOREAN CHAMBER OF COMMERCE PHILIPPINES NEWSLETTER



May 2024 Issue | Vol. 37

SPECIAL POINTS OF INTEREST

- Philippines implements single electronic invoicing system for imports — page 1
- DOF: 6-7% GDP growth target for '24 can still be achieved — page 2
- Govt sets Oct.3 deadline for tariff-tweak rules for PPPs — 2-3
- DoF seen handling VAT claims in more 'taxpayer-friendly' way — page 3-4
- Arta rushes guidelines on permitting process for infra flagship projects — page 4-5
- Recto: Align tax collection system with Korea, Singapore, Japan — page 5
- Charter change seen boosting services sector — page 5-6

Philippines implements single electronic invoicing system for imports

May 20, 2024 | Kyle Aristophere T. Atienza | BusinessWorld

THE PHILIPPINE government has enforced a single electronic invoicing system for all imported commodities, as it explores nonmonetary measures to address rising food prices.

Under Administrative Order (AO) No. 13 signed by President Ferdinand R. Marcos, Jr. on May 13, the country will implement digital and integrated pre-border technical verification and cross-border electronic invoicing for all imported commodities entering the country.

A single electronic invoicing system is necessary to “effectively monitor international trade transactions of all imported goods,” according to the order.

It would also “strengthen national security, safeguard consumers’ rights, and protect the environment against sub-standard and dangerous imported goods,” the order read.

The new system, which the Bureau of Customs (BoC) shall implement within two years, will be enforced gradually. The first phase covers agricultural goods including fresh and frozen meat, fish and other aquatic resources, cereals, fruits, vegetables, and feeds.

The second phase covers non-agricultural goods with health and safety issues, while the last phase will cover other goods with misdeclaration to avoid duties and taxes.



The AO also created a Committee for Pre-border Technical Verification and Cross-border Electronic Invoicing, which will be chaired by the Finance secretary.

The committee’s members include the secretaries of the departments of Agriculture, Trade, energy, Health, Environment and Natural Resources, and Information Communications Technology.

Committee members also include the BoC commissioner, director-general of Philippine Drug Enforcement Agency, and two non-voting representatives from duly recognized industry associations to be appointed by the chairperson upon the committee’s recommendation.

Funding for the order’s implementation would be charged against the available appropriations of the BoC and other members of the committee, according to the order.

The new system followed the issuance of an AO mandating the Agriculture department as well as the Trade and Finance agencies to further ease procedures for agricultural imports and remove non-tariff barriers.

Non-tariff barriers are policy measures that restrict trade such as quotas, import licensing systems, regulations and red tape, among others, according to AO 20.

Inflation accelerated for a third straight month to 3.8% in April from 3.7% in March. It also marked the fifth straight month that inflation settled within the BSP’s 2-4% target range.

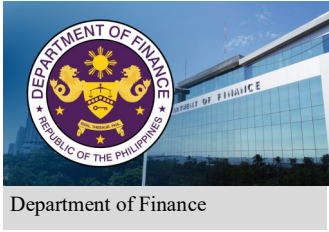
Food inflation rose to 6.3% in April from 5.7% in March.

Inflation averaged 3.4% in the January-April period, below the central bank’s 3.8% full-year forecast.

Source: <https://www.bworldonline.com/top-stories/2024/05/20/596069/philippines-implements-single-electronic-invoicing-system-for-imports/>

DOF: 6-7% GDP growth target for '24 can still be achieved

May 20, 2024 | Ian Nicolas P. Cigaral - @inquirerdotnet | Philippine Daily Inquirer



The Department of Finance (DOF) said the government's 6 to 7 percent growth target for this year can still be achieved on expectations of an increase in both consumer and government spending in the next quarters.

At a business journalism seminar hosted by the Economic Journalists Association of the Philippines (Ejap) and San Miguel Corp. on Saturday, Finance Undersecretary Domini Velasquez said gross domestic product (GDP) would have to grow by 6.1 percent for the rest of the year to hit at least the low-end of the Marcos administration's target for 2024.

This, after the economy grew 5.7 percent in the first quarter, falling below market consensus estimate of 5.9-percent growth for the period.

"I think for the government our target is 6-7 percent. It looks still very achievable. So likely you grow a little bit faster in the second quarter this year," Velasquez, chief economist at DOF, said.

"In terms of Asean, the Philippines will be growing maybe at par with Vietnam so that's very good for us also," she added.

Secretary Arsenio Balisacan of the National Economic and Development Authority (Neda) had attributed the slower-than-expected growth in the first quarter to persistently high prices and the anti-inflation interest rate hikes that crimped household and state spending.

Household spending

Data showed household spending growth had eased to 4.6 percent in the first quarter, from 5.3 percent in the final three months of 2023. This was the weakest reading since a 4.8-percent contraction at the height of COVID-19 pandemic in the first quarter of 2021.

Meanwhile, government spending grew 1.7 percent in the January to March period, reversing the 1-percent decline in the preceding three months but still lower than the 6.2 percent uptick in the first quarter of 2023. Balisacan said the extremely hot weather had disrupted construction activities, likely slowing down government expenditures on infrastructure as a result.

Moving forward, Velasquez said consumer spending and government expenditures would likely pick up for the rest of the year.

"We expect that consumption will increase as long as inflation will slow," she said.

"In terms of government consumption, we expect it to increase in the coming months. The good thing about government spending is that public construction is up," she added.

Source: <https://business.inquirer.net/459606/dof-6-7-gdp-growth-target-for-%ca%bc24-can-still-be-achieved>

Govt sets Oct.3 deadline for tariff-tweak rules for PPPs

May 20, 2024 | Lorenz S. Marasigan | BusinessMirror

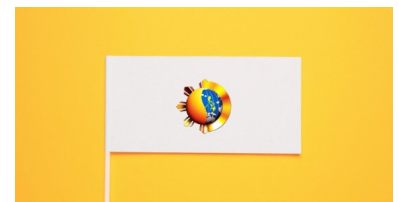
BAGUIO CITY—The government has set a deadline for regulatory bodies to issue standards on tariff adjustments for Public-Private Partnership (PPP) deals.

PPP Center Deputy Executive Director Jeffrey Manalo said regulatory bodies that govern key infrastructure deals concerning the private sector should come up with the guidelines on October 3.

"The October 3 deadline, according to the law, is for regulating bodies to issue their

guidelines and procedures on how PPPs that they regulate would determine the initial tariff to be set and how adjustments will be made throughout the concession period," he said during the Economic Journalists Association of the Philippines-San Miguel Corp. Business Journalism Seminar.

These guidelines will help ensure that the government will be able to temper tariffs on user fees—for instance, on tollways—while allowing the private partner to recoup its investment. *[Cont. page 3]*



Govt sets Oct.3 deadline for tariff-tweak rules for PPPs

[Cont. from page 2]

Historically, tariff adjustments on PPP deals have been contentious: Some even have had to see delays spanning almost a decade before being approved. These include projects on expressways, water, and rails.

Manalo said PPP contracts are built on a mutual gain among the government, the public, and the private sector partner.

By partnering with the private sector, the government will get a boost in its infrastructure program, freeing up public funds that could be used in other social programs.

Infrastructure projects under the PPP program will democratize access to various services for the public, while the private partner will benefit by recouping its investments.

According to Manalo, there are 125 projects under the PPP Program, which currently has an estimated cost of about P3.03 trillion or about \$60.56 billion.

“These are in various stages, including those that are under procurement, so prior to award. Then we also have those that are in the approval stage. Also unsolicited proposals are under review of implementing agencies and those that are under earlier project stages—under PDMF [Project Development and Monitoring Facility] study or a study done by another consultant of the implementing agency,” he said.

Broken down, there are 103 projects under the national level — 64 of which are solicited while 39 are unsolicited.

Locally, there are seven solicited deals, while 15 projects were proposed by the private sector.

PPP deals in advanced stages include the Tarlac-Pampanga-La Union Expressway Extension, the Upgrade, Expansion, and Maintenance of the Laguindingan Airport, the New Bohol International Airport, the University of the Philippines-Philippine General Hospital Cancer Center, and the Dialysis Center for the Renal Center Facility of the Baguio General Hospital and Medical Center.

These are for “possible award by the end of 2024.”

Next year, the government aims to award the following projects: Bislig City Bulk Water Supply, Bislig City Septage, and the Negros Occidental Bulk Water Supply.

Source: <https://businessmirror.com.ph/2024/05/20/govt-sets-oct-3-deadline-for-tariff-tweak-rules-for-ppps/>

DoF seen handling VAT claims in more 'taxpayer-friendly' way

May 20, 2024 | John Victor D. Ordenez | BusinessWorld



THE Department of Finance (DoF) Revenue Operations Group taking responsibility to handle value-added tax (VAT) refund claims may result in quicker processing and address delays under the Bureau of Internal Revenue (BIR), according to a tax professional.

“The experience of the taxpayers right now is that the BIR process is slow or tilted in favor of denying the tax refunds,” Eleanor L. Roque, tax principal of P&A Grant Thornton, said in a Viber message.

She said the DoF may employ more efficient and taxpayer-friendly measures in processing VAT claims, cutting down delays previously seen with the BIR.

Senator Sherwin T. Gatchalian has filed a bill proposing to transfer the responsibility of processing VAT refunds to the Revenue Operations Group from the BIR, which has fielded many complaints from companies with stalled refund claims.

Senate President Juan Miguel F. Zubiri has said the Japanese companies threatened to leave the Philippines after finding it difficult to secure refunds. [Cont. page 4]

DoF seen handling VAT claims in more 'taxpayer-friendly' way*[Cont. from page 3]*

The American Chamber of Commerce of the Philippines, Inc. has said VAT refunds for jet fuel purchases take as long as five years to resolve.

Under the Senate bill, the Finance Secretary will be in charge of approving refund claims for creditable input taxes, instead of the internal revenue commissioner.

The measure also ensures businesses are entitled to a VAT zero-rating on local purchases, provided they operate at 70% capacity.

Registered export enterprises are also given duty exemptions on imports of raw materials and spare parts for capital equipment.

"The BIR's task is to collect taxes so processing refunds or approving refunds is not ingrained in the BIR DNA," Ms. Roque said. "It's just against their interests to approve refunds."

Source: <https://www.bworldonline.com/economy/2024/05/20/596034/dof-seen-handling-vat-claims-in-more-taxpayer-friendly-way/>

Arta rushes guidelines on permitting process for infra flagship projects

May 21, 2024 | Andrea E. San Juan | BusinessMirror

THE Anti-Red Tape Authority (Arta) wants to finalize by next month the implementing guidelines for Executive Order 59, which aims to fast-track the permitting process for infrastructure flagship projects (IFPs).

BusinessMirror
A broader look at today's business

"Next month, we should be able to finalize already implementing guidelines for approval by the heads of agencies concerned and for submission to the President so they can meet the deadline," Arta Secretary Ernesto V. Perez told reporters at a briefing held in Quezon City on Monday.

Perez said the agencies tasked to implement EO 59 are targeting to finalize the guidelines by June 10 or the last of the 30 working days required by the measure before its implementation.

"What we're doing is we're meeting with concerned government agencies regularly at least once a week, if not, twice a week, to be able to meet the deadline," Perez said.

Arta is one of the agencies, along with the Department of the Interior and Local Government (DILG), mandated by EO 59 to issue the guidelines to ensure "effective and efficient implementation" of the order.

Section 10 of EO 59 mandated the National Economic and Development Authority (Neda) Board's Committee on Infrastructure to serve as the Steering Committee tasked to provide policy direction for effective implementation of the order.

"Within 30 working days from the effectivity of this Order, the Steering Committee shall, in coordination with the Anti-Red Tape Authority, Department of the Interior and Local Government, and other relevant agencies, promulgate the necessary guidelines to ensure effective and efficient implementation of this Order," a portion of EO 59 reads.

Among the tasks of the implementing agencies are to: track and report the compliance of national government agencies (NGAs) and local governments involved in the issuance of licenses, clearances, permits, certifications and/or authorizations for IFPs and encourage NGAs and LGUs to prioritize and facilitate the review and approval of licenses, clearances, permits, certifications or authorizations for the Neda Board-approved IFPs.

Perez said the goal of this measure is to "reduce or streamline the requirements, to fast-track the permitting process including the use of digital platform."

Socioeconomic Planning Secretary Arsenio M. Balisacan earlier said in a statement that EO 59 will make it easier for implementing agencies to "execute transformative infrastructure projects that would spur job creation for our people and enable us to sustain our economy's rapid expansion."

EO 59 was signed by the President on April 30. *[Cont. page 5]*

Arta rushes guidelines on permitting process for infra flagship projects

[Cont. from page 4]

Neda said in a statement that the measure introduces “several critical changes” such as simplifying the requirements for the NEDA Board-approved list of IFPs. In addition, the agency said the EO directs national government agencies (NGAs) and local governments to review their Citizen’s Charters, aiming to eliminate “redundant and cumbersome” procedures.

Balisacan also stressed the need for the country to catch up with its neighbors in the region in terms of implementing infrastructure flagship projects.

“So the government must enable—not hinder—the timely completion of these projects,” said Balisacan.

The EO also facilitates electronic application submissions to concerned agencies and local governments, including streamlined payment processes and issuance of receipts. (Full story here: <https://businessmirror.com.ph/2024/05/07/fmjr-order-seen-to-speed-up-implementation-of-ifps/>)

Source: <https://businessmirror.com.ph/2024/05/21/arta-rushes-guidelines-on-permitting-process-for-infra-flagship-projects/>

Recto: Align tax collection system with Korea, Singapore, Japan

May 20, 2024 | Chino S. Leyco | Manila Bulletin



In response to the shifting consumer preferences towards e-commerce, the Department of Finance (DOF) wants to bring the country's tax collection system in line with the best practices of three leading Asian nations.

Finance Secretary Ralph G. Recto said the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC) should adopt practices akin to those of countries with advanced tax collection systems like South Korea, Singapore, and Japan.

Recto said this effort should be integrated with the digital transformation initiatives of the government’s two main tax agencies. Last week, Recto met with BIR Commissioner Romeo D. Lumagui Jr. and Customs Commissioner Bienvenido Y. Rubio to assess their collection performance.

They also discussed potential areas where the Department of Finance (DOF) can extend support.

Recto then stressed the importance of enhancing tax collection efficiency.

He said this can be done by streamlining taxpayer records through a data-sharing agreement between the BIR, BOC, Securities and Exchange Commission Philippines (SEC), and the Bureau of Local Government Finance (BLGF).

Officials from the SEC and BLGF are scheduled to meet with representatives from the BIR and BOC to discuss and advance the implementation of this collaborative program, the DOF said.

As of April 2024, the BIR has already collected P912.9 billion, a 16.3 percent increase compared to the same period last year.

Meanwhile, the BOC collections grew 6.3 percent in the year’s first four months to P295.2 billion.

For 2024, the government is projected to raise P4.3 trillion in revenues.

Of this amount, the BIR is expected to contribute the lion's share with P3.05 trillion in taxes, while the BOC is tasked to collect P1 trillion.

The remaining balance will be sourced from non-tax revenues.

Source: <https://mb.com.ph/2024/5/20/recto-align-tax-collection-system-with-korea-singapore-japan>

Charter change seen boosting services sector

May 19, 2024 | By Manila Standard Business

A recent publication by state think tank Philippine Institute for Development Studies (PIDS) argued that economic charter change could unlock the services sector’s immense potential in driving economic growth.

The study titled “Insights into Economic Charter Change and the Case for Services Reform”, authored by PIDS senior research fellow Ramonette Serafica, underscored the need for adaptable policies and government structures. [Cont. page 6]



Charter change seen boosting services sector*[Cont. from page 5]*

These include designing regulations that keep pace with the evolving global economy and changing consumer preferences. “By adopting adaptable policies and institutions, governments and stakeholders can capitalize on emerging trends, foster innovation, and enhance competitiveness,” she said.

Serafica noted the growing importance of the service sector. In 2020, it was the primary recipient of investment activity globally, accounting for 72 percent of total foreign direct investments (FDI).

The growth rate of services also continued to outperform that of manufacturing in both trade and investments in several countries in East Asia and the Pacific.

“This suggests that investors are recognizing the potential and opportunities in service-oriented industries leading to higher FDI inflows compared to traditional manufacturing industries,” she said.

One key area for reform identified by the PIDS study is the legislative franchise requirement. This requirement, rooted in colonial-era laws, necessitates a special government permit and imposes ownership limitations for businesses, particularly in telecommunications and information and communication technology (ICT) sectors, the study said.

This system increases business costs, creates unfair advantages and duplicates regulatory functions, it said.

She said the legislative franchise requirement is not common in other countries’ constitutions. The same may not be necessary, as an independent regulatory authority could make licensing decisions. Eliminating the legislative franchise requirement would streamline the process, reduce barriers and improve the overall business climate, the author said.

The study also called for revising the complete nationalization of mass media as stipulated in the 1987 Constitution. Only Filipino citizens or corporations with full Filipino ownership can participate in the industry. The PIDS study finds no justification for this restriction, arguing that it hinders growth and innovation in the media sector.

“The Constitution emphasizes a balanced flow of information, and respects freedom of speech and the press, but it does not provide a clear rationale for full nationalization of the mass media sector,” Serafica said.

Source: <https://manilastandard.net/business/314448755/charter-change-seen-boosting-services-sector.html>

Contact Us**Korean Chamber of Commerce
Philippines, Inc. (KCCP)**

Unit 1104 Antel Corporate Center, 121
Valero St., Salcedo Village, Makati City
(02) 8885 7342 | (02) 8404 3099
info@kccp.ph | www.kccp.ph

This KCCP E-Newsletter is supported by:

GOLF RIDGE

PRIVATE ESTATE

Filinvest Mimosa + Clark

UNIT FEATURE
Unit F, 1BR CLASSIC

Amenity View • Balcony
Fully Finished Unit

Livable Area	± 72 sqm
Total Area	± 83 sqm



FEW UNITS LEFT!

Don't miss out on owning a master planned living space



Typical Floor Plan
2nd to 15th



Actual view from Unit F



DINING AREA LIVING AREA BALCONY
KITCHEN BEDROOM

Indulge in the refined living spaces of Unit F, a One-bedroom Classic unit offering views of its surrounding lush landscapes designed to accommodate small families and serve as an excellent investment opportunity.

A Fine Residential Masterpiece by

FILIGREE

www.golfridge.com.ph

(045) 499-1570



Scan to know more