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SPECIAL POINTS OF INTEREST

Local, foreign biz chambers: Make these 21 bills a priority

July 17, 2024| Alden M. Monzon - @inquirerdotnet | Philippine Daily Inquirer

Ahead of President Ferdinand Marcos Jr.'s third State of the Nation Address, the JFC and other prominent business groups have endorsed 21 pending legislative measures for prioritization to help improve the overall investment environment in the country. —Malacañang photo

MANILA, Philippines — Less than a week before President Ferdinand Marcos Jr. delivers his third State of the Nation Address (Sona), the business community on Tuesday endorsed 21 pending legislative measures for prioritization to help improve the overall investment environment in the country.

The Joint Foreign Chambers of the Philippines (JFC) and other prominent business groups said they were endorsing these reforms ahead of the President's Sona on July 22 to drive economic growth, enhance global competitiveness, and promote inclusive development.

"With one year left in the current Congress, we believe that the 21 measures are achievable reforms that will generate substantial impact in [reaching] our shared vision of inclusive growth through job generation, poverty reduction, and global competitiveness," the coalition said in a statement.

"We will continue to work with Congress and your administration in support of these remaining reforms as we look forward to your third (Sona)," the letter added.

On top of the list is the liberalization of foreign equity restrictions in the Constitution, an issue that has become divisive in Congress owing to fears that it might be used as a vehicle for political changes to the Charter.

The other proposed legislation are less controversial, with a number of them pertaining to digitalization, some on improving workers' welfare and productivity, and a few seeking the creation of new government agencies.

Heading the list of digitalization measures is the Konektadong Pinoy bill, which seeks to lower barriers and cost to entry for data service providers, promote sharing of infrastructure and efficient use of resources, and eventually lower internet costs for Filipinos.

The private sector is also pushing for amendments to the E-Commerce Act and the Intellectual Property Code to modernize and align these with the country's treaty obligations and international best practices.

It said the bill promoting digital payments would help improve the business climate by mandating the use of safe and efficient digital or electronic modes of payments by all national government agencies, government-owned and -controlled corporations, and local government units.

The industry group likewise listed the Satellite-based Technologies Promotion Act as important to ease regulatory requirements for the use of satellite-based internet technologies to connect unserved and underserved communities.

Productivity measures

For labor, the business community said the government should prioritize the bill calling for a national unemployment insurance program to protect workers from income loss due to retrenchment by providing unemployment benefits while they seek new jobs.

It also pushed the amendments to the Corporate Recovery and Tax Incentives for Enterprises Act and the Philippine Economic Zone Authority Act to allow locators greater flexibility in setting work-from-home and other flexible arrangements.

It said lawmakers should also prioritize the proposed Holiday Rationalization Act to refine the number of nonworking holidays and make it comparable to those of neighboring countries and to reduce business costs. *[Cont. page 2]*

Local, foreign biz chambers: Make these 21 bills a priority
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It also called for further reforms the current apprenticeship program to make it more attractive to both enterprises and prospective apprentices.

Also needed are the amendments to the Secrecy of Bank Deposits law to allow the Bangko Sentral ng Pilipinas to examine, inquire, or look into deposits under certain conditions related to unlawful activities, and the passage of the Freedom of Information Act to provide the parameters and mechanisms for citizens' access to information in all government offices.

The group likewise called for the creation of a Philippine Airports Authority that will handle the regulation and operation of all airports to improve safety and efficiency, as well as an amendment to the charter of the Philippine Ports Authority (PPA) that will transfer all PPA-operated ports to a more capable separate public sector entity.

Health care, pension reforms

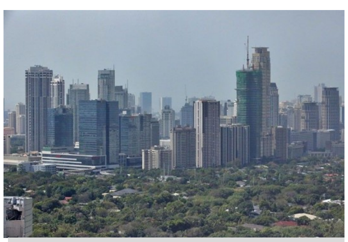
The bill creating the Department of Disaster Resilience is also being supported by the business sector to lead in the planning, coordination, monitoring, oversight and implementation of disaster risk and vulnerability reduction and management.

The remaining bills that need to be prioritized, according to the private sector, are the Capital Income and Financial Taxes Reform; Pandemic Protection Act to prevent the overburdening of the health-care system; Philippine Pension System reforms; repeal of the Commonwealth Act 138 (Flag Act) to remove the 15-percent domestic preference in awarding public works contracts; easing of agricultural land ownership by raising the landholding ceiling from five hectares to 24 hectares and easing restrictions on farm land transactions, and the International Maritime Trade Competitiveness Act.

The JFC is a coalition of the American, Australian-New Zealand, Canadian, European, Japanese and Korean business chambers, as well as the Philippine Association of Multinational Companies Regional Headquarters. The other signatory groups include the Association of International Shipping Lines, the Chamber of Customs Brokers, the Confederation of Wearable Exporters of the Philippines, the Makati Business Club, the Management Association of the Philippines, and the Semiconductor and Electronics Industries in the Philippines Foundation.

Source: https://business.inquirer.net/469022/local-foreign-biz-chambers-make-these-21-bills-a-priority

IMF: Philippines growth fastest in ASEAN, 2nd in Asia
July 17, 2024| Keisha Ta-Asan | The Philippine Star



Photos show buildings in the Taguig City business district dwarfing houses on February 6, 2024.

STAR / Ernie Penaredondo

MANILA, Philippines — The Philippines is expected to be the fastest growing economy in Southeast Asia and second fastest in Asia over the next two years, according to the latest World Economic Outlook released by the International Monetary Fund (IMF).

Based on the latest economic outlook update, the IMF maintained its six percent gross domestic product (GDP) growth forecast for the Philippines this year.

If realized, the country's economic growth would be the fastest among members of the Association of Southeast Asian Nations (ASEAN) and the second-fastest among selected Asian economies, following India's seven percent.

The Philippines is projected to surpass China (five percent), Indonesia (five percent), Malaysia (4.4 percent), Kazakhstan (3.5 percent) and Iran (3.3 percent) in terms of GDP growth this year.

It will also be above Thailand (2.9 percent), Egypt (2.7 percent), South Korea (2.5 percent), Pakistan (two percent), Saudi Arabia (1.7 percent) and Japan (0.7 percent).

For next year, the IMF expects the Philippine economy to grow by 6.2 percent. The growth target will also be the fastest in ASEAN and second-fastest among Asian economies, behind India's 6.5 percent.

The latest growth forecasts will also be above the projections of the IMF for the ASEAN-5, which is composed of the Philippines, Vietnam, Indonesia, Thailand and Malaysia. It sees the region growing by 4.5 percent this year and 4.6 percent next year.

"Asia's emerging market economies remain the main engine for the global economy," the multilateral lender said, adding that robust growth in India and China will account for half of global growth this year.

"Yet prospects for the next five years remain weak, largely because of waning momentum in emerging Asia," the IMF said.
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IMF: Philippines growth fastest in ASEAN, 2nd in Asia
[Cont. from page 2]

Earlier in June, the IMF lowered its growth forecast for the Philippines to six percent this year from the 6.2 percent forecast it gave in its April World Economic Outlook mainly due to the slower than expected growth in the first quarter.

Still, GDP growth is expected to pick up in 2025 amid continued pickup in domestic demand, investment and consumption, IMF mission chief Elif Arbatli Saxegaard earlier said.

Stable inflation and easing monetary policy would also help support the economy next year, she said.

The IMF forecasts inflation to average 3.4 percent this year, lower than the six percent full-year inflation in 2023. It is also below the 3.8 percent risk-adjusted forecast of the Philippine central bank.

Source: https://www.philstar.com/business/2024/07/17/2370653/imf-philippines-growth-fastest-asean-2nd-asia

BoI says investment approvals may hit P1.6T this year
July 17, 2024| Justine Irish D. Tabile | BusinessWorld

APPROVED investment pledges may hit P1.6 trillion this year, amid expectations of higher inflows of foreign direct investments (FDIs) and the pipeline of green lane-endorsed projects, a Trade official said.


Philippine flags line the road in the City of Dasmariñas in Cavite, June 2, 2023. — PHILIPPINE STAR/EDD GUMBAN

Board of Investments (BoI) Managing Head and Trade Undersecretary Ceferino S. Rodolfo said the positive outlook stems from the central bank's hike in projected FDI net inflows this year.

"(The Bangko Sentral ng Pilipinas) increased its projection to $9.5 billion despite the drop in net FDI in April, and considering that the overall January-April number is still up and the pipeline of projects is still up, we are thinking of adjusting the upper limit to P1.6 trillion," he told reporters on the sidelines of the Tatak Pinoy Act Forum on Monday.

Latest BSP data showed FDI net inflows fell by an annual 36.9% to $556 million in April, the lowest level in 10 months.

This brought FDI net inflows in the January-to-April period to $3.525 billion, up 18.7% from $2.971 billion a year ago.

The BoI had previously set an internal target of approving P1.25 trillion to P1.5 trillion in investment pledges this year.

The latest figures from the BoI showed that investment approvals reached P950 billion in the first six months, representing 59.4% of the agency's P1.6-trillion target for the year.

In 2023, the BoI approved P1.26 trillion worth of investment pledges.

Mr. Rodolfo said the pipeline of projects under the green lane has also added to the optimistic outlook for higher investments this year.

The government had established the green lane in all government agencies in order to speed up the approval and registration process for priority or strategic investments.

As of June 20, P2.32 trillion worth of projects were endorsed to its One-Stop Action Center for Strategic Investments since it was established last year.

"But the total projects that were registered out of that are only P1.31 trillion. So, in effect, we still have P1 trillion worth of projects that are not yet registered but are in the pipeline," he added in mixed English and Filipino.

The majority or 65 of the projects certified for the green lane system are renewable energy (RE) projects with a combined cost of P1.95 trillion.

In its report, the BoI said that only 32 out of the 74 projects approved since last year are already registered with the BoI, with a total project cost of P1.31 trillion. The remaining 42 projects worth P1.02 trillion are still being eyed for registration.

Mr. Rodolfo said that BoI will remain very aggressive in promoting and converting projects in the pipeline to actual registration.

Last month, Trade Secretary and BoI Chairman Alfredo E. Pascual said that 65 projects worth around $19 billion have been realized so far from the deals secured during President Ferdinand R. Marcos, Jr.'s trips.

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BoI says investment approvals may hit P1.6T this year

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Of the projects initiated, 12 are already operating and are registered with an investment promotion agency. These are valued at $328 million.

Some 21 projects worth $1.6 billion have registered but are not yet operating, while 32 projects valued at $17 billion are in the process of registering.

The initiated projects account for 30% of the $61.3 billion worth of investment leads gathered during the President's trips, which covers 201 projects.

https://www.bworldonline.com/top-stories/2024/07/17/608544/boi-says-investment-approvals-may-hit-p1-6t-this-year/

ADB maintains growth outlook for PH

July 18, 2024| Ruelle Castro | Malaya Business Insight

The Asian Development Bank (ADB) has maintained its growth outlook for the Philippines for this year and in 2025.

ADB expects the Philippines to grow by 4.6 percent this year, similar to its outlook earlier in the year.

It, however, revised upwards Asia Pacific's growth prospects to 5 percent from 4.9 percent previously.

The multilateral lender, in the latest issue of its biannual Asian Development Outlook (ADO), cited the rising regional exports which will complement resilient domestic demand for upgrading Asia and the Pacific's growth outlook.

The growth outlook for next year is maintained at 4.9 percent for Asia and the Pacific, while the Philippine growth forecast was also kept at 6.2 percent.

"Moderating inflation and expected monetary easing in the second half of 2024 will support household consumption and investment," the ADB said of the Philippines' prospects.

Inflation, meanwhile, will slow down to 3.8 percent this year from last year's 6 percent, still the same forecast as in the earlier ADO report.

For the region, the inflation outlook was revised downward to 2.9 percent from the previous 3.2 percent, amid easing global food prices and the lingering effects of higher interest rates.

"After a post-pandemic recovery that was driven mainly by domestic demand, exports are rebounding and helping propel the region's economic growth. Strong global demand for electronics, particularly semiconductors used for high-technology and artificial intelligence applications, is boosting exports from several Asian economies," the ADB said.

"Most of Asia and the Pacific is seeing faster economic growth compared with the second half of last year. The region's fundamentals remain strong, but policy makers still need to pay attention to a number of risks that could affect the outlook, from uncertainty related to election outcomes in major economies to interest rate decisions and geopolitical tensions," added Albert Park, ADB chief economist.

The ADB said while inflation is moderating toward pre-pandemic levels in the region as a whole, price pressures remain elevated in some economies.

"Food inflation is still high in South Asia, Southeast Asia, and the Pacific, in part due to adverse weather and food export restrictions in some economies," it said.

The growth forecast for the People's Republic of China (PRC) is kept at 4.8 percent this year, attributed to a continued recovery in services consumption, and stronger-than-expected exports and industrial activity are supporting the expansion, even as its struggling property sector has yet to stabilize.

The ADB also retained its 2024 outlook for India, the region's fastest-growing economy, at 7 percent, saying India's industrial sector is projected to grow robustly, driven by manufacturing and strong demand in construction.

India's agriculture is expected to rebound amid forecasts for an above-normal monsoon, while investment demand remains strong, led by public investment, the ADB added.

For Southeast Asia, the growth forecast is maintained at 4.6 percent this year amid solid improvements in both domestic and external demand.

"This year's outlook for the Caucasus and Central Asia is raised to 4.5 percent from a previous projection of 4.3 percent, driven in part by stronger-than-expected growth in Azerbaijan and the Kyrgyz Republic. In the Pacific, the outlook for 2024 is maintained at 3.3 percent growth, driven by tourism and infrastructure spending, along with revived mining activity in Papua New Guinea," the ADB said.

Source: https://malaya.com.ph/news_business/adb-maintains-growth-outlook-for-ph/

SEC to share corporate data with BIR

July 18, 2024| R.M.D.Ochave | BusinessWorld

PHILIPPINE STAR/EDD GUMBAN

THE SECURITIES and Exchange Commission (SEC) will start sharing its data with the Bureau of Internal Revenue (BIR) to help the government improve tax collections.

The SEC signed a memorandum of agreement on data sharing with the BIR, which will allow the latter to access documents needed for tax assessments and collections.

On the other hand, the BIR will provide the SEC with tax identification number (TIN) verification for the latter's online digital services to improve monitoring of the capital market.

"From our side, we have noticed a number of incorporators that have fake TIN. That is a ground for revocation. We're trying to plug holes. We should be on our toes," SEC Chairperson Emilio B. Aquino said during the launch of the agency's new digital services.

The SEC is also in talks with the Bureau of Customs to use corporate data in improving the collection of Customs duties, excise and other taxes.

The commission is also eyeing to collaborate with the Bureau of Immigration to monitor foreign nationals doing business in the country, and with the Philippine Government Electronic Procurement System to look at the legitimacy of corporations participating in the government procurement process.

The Finance department is banking on improved tax administration and ramping up nontax revenues such as privatizing state assets to meet its revenue collection targets.

On Wednesday, the SEC launched five new digital platforms, namely the Swift Corporate And Other Records Exchange (SCORE) protocol, Zuper Easy Registration Online (ZERO), Electronic Submission Authentication Portal (eSAP), Foreign Investments Registration Station (FIRST) green lane unit, and Electronic Application for Modification of Entity Name and Data (eAMEND).

The SCORE protocol will cater to the requests of partner regulatory and enforcement agencies, such as the BIR, for company information such as articles of incorporation, general information sheet and audited financial statements.

"We have to improve constantly. If we are not fast enough to adopt changes, we will be left behind. Our neighboring countries are adopting and leveraging technology," Mr. Aquino said.

"We are harnessing digital technologies not only to improve the ease of doing business. Ultimately, the SEC is harnessing digital technologies to champion sustainability and help accelerate the attainment of Sustainable Development Goals," he added.

SEC ZERO is a service under the Electronic Simplified Processing of Application for Registration of Company (eSPARC) that lets applicants digitally authenticate forms via the eSAP.

The eSAP platform, integrated with SEC ZERO, removes the requirement to affix wet signatures and submit hard copies of registration requirements. The platform uses one-time passwords for the electronic authentication of documents.

The SEC ZERO and eSAP platforms allow applicants to register their companies anywhere any time.

The commission also established the FIRST green lane unit to entice more foreign investments. The registration, licensing and amendment of foreign entities, as well as foreign and multinational companies will go through the green lane.

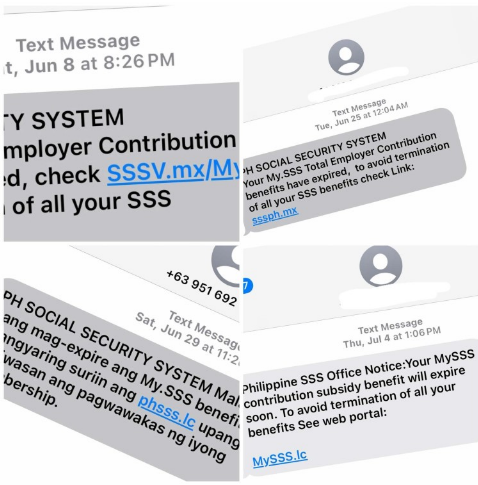
"Foreign-owned applications will no longer have to be queued together with all other applications in the online registry, as they will be redirected to a special lane of the SEC FIRST unit, making the processing time more efficient," the SEC said.

The eAMEND online portal will be in charge of processing and approving the payment for the amendments in applications of corporations. It will also issue a digital copy of the certificate of amendment of corporations.

Source: https://www.bworldonline.com/top-stories/2024/07/18/608789/sec-to-share-corporate-data-with-bir/

SSS warns against bogus texts about benefits, contributions

July 18, 2024| By Manila Bulletin



Have you received text alerts from the Social Security System (SSS) regarding benefit claims or expiring contribution payments? Please be cautious, as those messages are fake.

On Thursday, July 18, SSS issued a warning to its members and the public to remain vigilant against deceptive text messages sent by malicious individuals posing as SSS representatives. These messages falsely promise recipients incentives in exchange for clicking on a provided link.

Normita M. Doctor, SSS Member Services and Support Group's senior vice president, said that the pension fund has been receiving reports from members who have encountered text alerts related to benefit claims, expiring contribution payments, or My.SSS registration.

"Do not click the link in the message of these fake text alerts. It will lead to a phishing site that will steal personal information such as SS numbers and login credentials from My.SSS account," Doctor said.

Doctor said that members and the public can easily determine if they have received a fraudulent text alert by verifying the sender.

"The SMS sender should be 'SSS' and the official SSS website is www.sss.gov.ph. If it is an unidentified mobile number, it is a text message from scammers purposely sent to deceive its receiver," she said.

"Our SSS Special Investigation Department (SID) has already probed the incidents. We also submitted a Text Scam Complaint containing these fake text alerts to the National Telecommunications Commission (NTC) to help the government fight scam text messages," she said.

She discouraged them from sharing their SS number, usernames, passwords, and other login details of their My.SSS account with these scammers so their My.SSS accounts will not be compromised and be used for fraudulent transactions.

Doctor advised those who have become victims of these text scammers to directly report it to law enforcement authorities such as the Philippine National Police's Anti-Cybercrime Group and the National Bureau of Investigation's Cybercrime Division.

"With the assistance of our SSS SID, victims can help law enforcement agencies in filing a case against text scammers. They can report text scammers to SID via email at fid@sss.gov.ph or through telephone at (02) 89247370," she concluded.

Source: https://mb.com.ph/2024/7/18/sss-warns-against-bogus-texts-about-benefits-contributions

BSP may impose up to P1-M fine for violations of foreign exchange rules

July 18, 2024 | Luisa Maria Jacinta C. Jocson | BusinessWorld


BW FILE PHOTO

THE BANGKO Sentral ng Pilipinas (BSP) has approved amendments to the reporting guidelines for foreign exchange (FX) transactions, including the imposition of fines up to P1 million for policy violations.

"The Monetary Board has approved further amendments to FX regulations to allow the BSP to gather more accurate and relevant information on FX transactions to promote and maintain price stability and ensure financial stability and effective supervision of banks," it said in a statement on Wednesday.

This comes after weeks of volatility in the foreign exchange markets, which saw the peso drop to a 20-month low in May. The peso closed at P58.295 per dollar on Wednesday, strengthening by nine centavos from its P58.385 close on Tuesday.

The Monetary Board in its Resolution No. 764 approved revisions to the Manual of Regulations on Foreign Exchange Transactions, according to a circular. *[Cont. page 7]*

BSP may impose up to P1-M fine for violations of foreign exchange rules
[Cont. from page 6]

One of the main amendments is the imposition of a maximum penalty for violations by authorized agent banks (AAB), AAB forex companies, offshore banking units (OBU), representative offices and their directors, trustees, officers and employees (DTOE), pursuant to the amended New Central Bank Act.

The BSP can impose a “maximum monetary penalty of P1 million for each transactional violation or P100,000 per calendar day for violations of a continuing nature.”

It defines a transactional violation as an “act or omission constituting violation of any applicable law, or any order, instruction/directive or regulation issued by the Monetary Board (MB), or any order, instruction/directive or ruling by the governor which is consummated and concluded in a single instance/occasion.”

On the other hand, a continuing violation is one that “persists or lingers over time from the instant the particular act was committed or omitted until the violation is stopped.”

“To ensure fairness, consistency and reasonableness in the imposition of monetary or nonmonetary penalties, the BSP takes into consideration the attendant circumstances of each case, such as the nature and gravity of the violation or irregularity, the size of the financial institution and other aggravating and mitigating factors,” according to the circular.

The BSP also included definitions of reports that are not compliant with reporting standards, such as delayed, erroneous and unsubmitted reports.

The revised rules also provide clear penalties for violations of reporting standards. Monetary penalties for reporting violations on primary reports range from P300 for representative offices to P3,000 for universal, commercial or Islamic banks.

For instance, the penalty for a delayed report will be computed by multiplying the fine by the number of calendar days delayed.

The revised rules also include the notification process of concerned BSP-supervised financial institutions (BSFI) on their policy violation, as well as appeals and requests for reconsideration.

“The amended guidelines will facilitate timely submission of reports by banks in accordance with the BSP’s reporting standards and instill accountability among BSFIs and/or their DTOEs,” the central bank said.

Reports submitted to the BSP must be “complete, accurate, consistent, reliable and timely” to be compliant with its reporting standards. It must also conform to the relevant submission and validation guidelines.

“These regulations will likewise enable the BSP to efficiently generate reports being used for policy studies and monitoring of the economy and financial system, among others,” it added.

Ruben Carlo O. Asuncion, chief economist at Union Bank of the Philippines, Inc., said the amended rules would help the central bank achieve stability in the foreign exchange markets.

“This is good in general to achieve the BSP’s goal of FX stability and the prevention of unnecessary volatility in FX markets. The eventual compliance of banks will be advantageous for the industry,” he said in a Viber message.

In April, the Monetary Board approved amendments to the Manual of Regulations on Foreign Exchange Transactions to better facilitate access to FX resources of authorized agent banks or their units for legitimate transactions and streamline documentary requirements, procedures and reporting.

Source: https://www.bworldonline.com/top-stories/2024/07/18/608787/bsp-may-impose-up-to-p1-m-fine-for-violations-of-foreign-exchange-rules/#google_vignette

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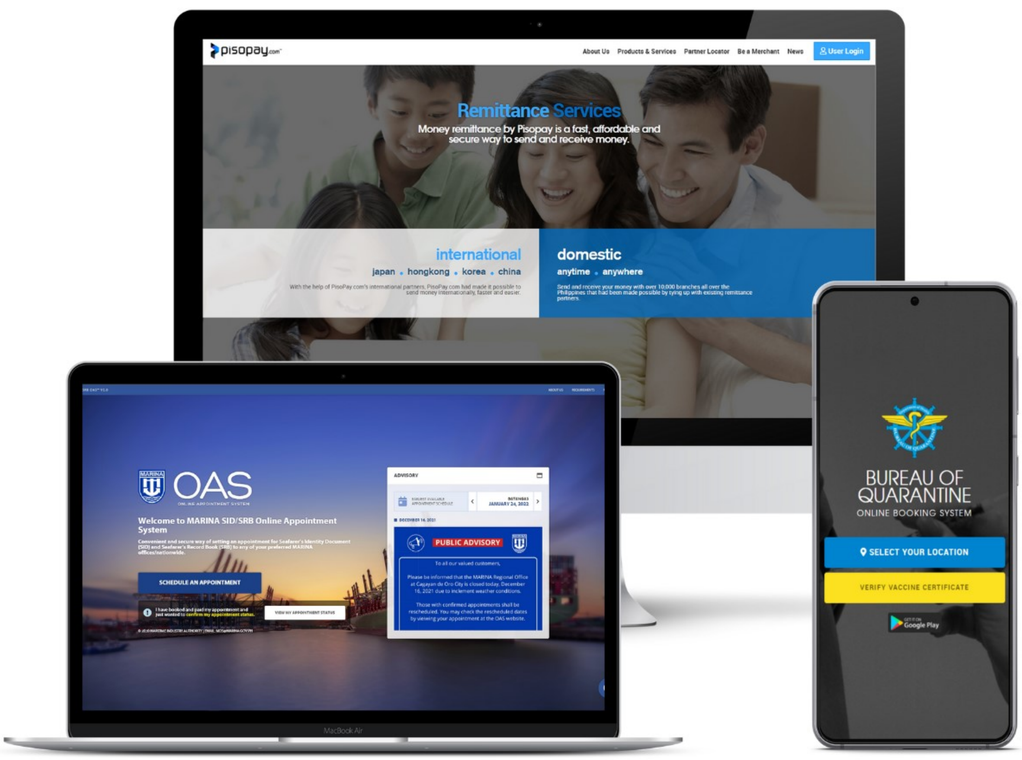

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