

LEGAL UPDATES

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CONTACT US



www.GSElawfirm.com



Trunk (632) 8633-9757 to 58 /
8634-2935 / 8638-9345 to 46



[instagram.com/GSELawFirm](https://www.instagram.com/GSELawFirm)



Suite 2801 Discovery Center
25 ADB Avenue, Ortigas Center
Pasig City 1605 Philippines



[facebook.com/GSELawFirm](https://www.facebook.com/GSELawFirm)




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REVENUE REGULATIONS NO. 04-2025, FURTHER AMENDING THE “DE MINIMIS” BENEFITS PROVISIONS OF REVENUE REGULATIONS NO. 2-98, AS AMENDED, INCREASING THE CLOTHING ALLOWANCE PURSUANT TO R.A. NO. 11975 AND EMPLOYEES ACHIEVEMENT AWARDS

On 30 January 2025, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 04-2025, amending the provisions on de minimis benefits under RR No. 2-98 to reflect changes in employee compensation exemptions. These amendments align with Republic Act No. 11975 (Fiscal Year 2024 General Appropriations Act) and other relevant tax policies.

A significant amendment under RR No. 04-2025 is the increase in the tax-exempt ceiling for uniform and clothing allowance, which is now PhP7,000 per annum. Additionally, the tax-exempt limit for employee achievement awards—whether in cash, gift certificates, or tangible personal property—has been raised to PhP10,000 annually, provided these awards are granted under a written, non-discriminatory plan that does not favor highly paid employees. These benefits remain exempt from income tax on compensation and fringe benefits tax under the Tax Code.

 [Click here for the full text of RR No. 04-2025](#)

REVENUE MEMORANDUM CIRCULAR NO. 05-2025, AMENDING CERTAIN PROVISIONS OF RMC NOS. 11-2024, 12-2024, 13-2024 AND 19-2024, TO PROVIDE CLARIFICATIONS / TRANSITORY PROVISIONS AND TO ALIGN WITH THE PROVISIONS OF R.A. NO. 11976, (EOPT ACT), ITS IMPLEMENTING RULES AND REGULATIONS AND OTHER ISSUANCES

On 16 January 2025, the Bureau of Internal Revenue (BIR) issued Revenue Memorandum Circular (RMC) No. 05-2025 to update certain provisions of RMC Nos. 11-2024 (Lease Accounting by Lessees), RMC No. 12-2024 (FOREX Transactions), RMC 13-2024 (Retirement benefits), and (RMC No. 19-2024 (Interest Expense), in line with R.A. No. 11976, or the Ease of Paying Taxes Act.

Updates to RMC No. 11-2024 (Lease Accounting by Lessees):

- The initial direct cost paid and incurred by the lessee may be claimed as business expense in the year it was paid or incurred provided that it has proper substantiation and withholding. However, it was clarified under RMC No. 60-2024 that the non-withholding of tax will no longer be a ground for disallowance of claimed deductions/expenses for taxable year covering Jan, 1, 2024 onwards.
- Amounts paid by the lessee which are properly for the account of the lessor shall be allowed as deductions during the year the same has been paid. This shall be substantiated with invoices issued by the lessor in the name of the lessee. Thus, it will form part as gross sales of the lessor and allowable as deduction on the part of the lessee.
- The corresponding input VAT shall be creditable to the lessee for the amount of rentals paid incurred/accrued, which shall be evidenced by a VAT Invoice.
- The 5% withholding tax on lease payments should now be based on the amount payable which refers to the value paid/accrued or recorded as an expense or asset, whichever is applicable or at the issuance by the seller of the sales invoice or other adequate document to support such payable whichever comes first.

Updates to RMC No. 12-2024 (FOREX Transactions):


- For taxes other than income tax, the basis of the reportable amount shall be the Philippine Peso-converted amount using the prevailing spot rate on the date of transaction.
- For VAT purposes, the reportable amount for sale of goods, properties and sale of exchange of services shall be the gross sales as supported by a corresponding VAT invoice,
- For Other Percentage Tax, the reportable amount shall be the gross quarterly sales depending on the type of transaction subject to said taxes.
- For withholding taxes, the reportable amount shall be the value of the taxable income payment at the time it has become payable, accrued or recorded as an expense or asset, whichever is applicable, or at the issuance by the seller of the sales invoice, whichever comes first.

Updates to RMC No. 13-2024 (Retirement Benefits):

- Small-Medium Enterprises (SMEs) and/or small entities may avail of the provisions of RMC No. 13-2024 on an optional basis and to comply with the required disclosure under Philippine Financial Reporting Standards (PFRS).

Updates to RMC No. 19-2024 (Interest Expense):

- The requirement to withhold taxes in order to claim the interest expense as a deduction from the gross income was repealed under Sec. 5 of the EOPT Act


 [Click here for the full text of RMC No. 05-2025](#)

REVENUE REGULATIONS NO. 02-2025, IMPLEMENTING THE TAX PROVISIONS OF R.A. NO. 9267 (THE SECURITIZATION ACT OF 2004)

On 08 January 2025, the Bureau of Internal Revenue (BIR) issued Revenue Regulations No. 02-2025 to implement the tax provisions of Sections 27 to 34 of Title IV of R.A. No. 9267 or The Securitization Act of 2004. Tax exemptions are provided for the transfer of assets, as well as issuance and transfer of securities. The sale or transfer of assets to a Special Purpose Entity, including the sale or transfer of any and all security interest thereto, made in accordance with the Securitization Plan shall be exempt from Value-Added Tax (VAT) and Documentary Stamp Tax (DST), or any other taxes imposed in lieu thereof. The transfer of assets by dation in payment by the obligor in favor of the obligee shall not be subject to capital gains tax.

There is also exemption from VAT, or any other taxes imposed in lieu thereof, for the original issuance of Asset-Backed Securities (ABS) and other securities related solely to such securitization transaction. However, the same shall be subject to DST. Meanwhile, secondary trades and subsequent transfers of ABS shall be exempt from DST and VAT, or any other taxes imposed in lieu thereof.

The income from Asset-Backed Securities shall be subject to a 20% withholding tax. On the other hand, exemption from income tax is provided for the yield or income of investors from any low cost or socialized housing-related ABS. The yield or income must come from the securitization of the mortgage and housing-related receivables of the government housing agencies. The Department of Human Settlements and Urban Development and the Department of Finance must certify the low-cost or socialized housing-related ABS.

 [Click here for the full text of RR No. 02-2025](#)

REVENUE REGULATIONS NO. 01-2025, FURTHER AMENDING SECTION 9 OF RR NO. 25-2003 RELATIVE TO THE DOCUMENTARY REQUIREMENTS TO BE SUBMITTED BY MOTOR VEHICLE MANUFACTURER/ASSEMBLER/IMPORTER AS BASIS FOR THE BIR TO DETERMINE WHETHER THE AUTOMOBILES SUBJECT TO EXCISE TAX EXEMPTION ARE HYBRID OR PURELY ELECTRIC VEHICLES PURSUANT TO THE PROVISIONS OF REPUBLIC ACT NO. 10963 (TRAIN LAW)

On 06 January 2025, the Bureau of Internal Revenue (BIR) published Revenue Regulations (RR) No. 01-2025 amending Section 9(E) of RR No. 25-2003, which provides for the guidelines on requests for tax exemption of hybrid or purely electric vehicles pursuant to the TRAIN Law.

Under RR No. 01-2025, the power to determine whether an automobile is a hybrid or a purely electric vehicle is reverted to the Department of Energy (DOE), as originally assigned by RR No. 5-2018.

Prior to the amendment, the power was lodged with the Department of Environment and Natural Resources - Environment Management Bureau (DENR-EMB), which issues the Certificate of Conformity (COC) and Certificate of Non-Coverage (CONC) used by the BIR as basis for classification of automobiles.

At present, RR No. 01-2025 mandates the Commissioner of Internal Revenue (CIR) to refer to the Electronic Vehicle Recognition List published by the DOE, which contains the information and classification for battery electric vehicles, plug-in hybrid electric vehicles, and hybrid electric vehicles. This is to be done by the CIR prior to the removal of automobiles from the manufacturing plant or customs custody.

 [Click here for the full text of RR No. 01-2025](#)

REVENUE MEMORANDUM ORDER NO. 02-2025, POLICIES, GUIDELINES AND PROCEDURES IN THE PROCESSING AND ISSUANCE OF TAX CLEARANCE CERTIFICATE FOR FINAL SETTLEMENT OF GOVERNMENT CONTRACTS (TCFG)

On 06 January 2025, the Bureau of Internal Revenue (BIR) issued RMO No. 02-2025 which provides that taxes withheld from private contractors engaged by the government are paid and remitted promptly by the respective government agencies. It establishes policies, guidelines, and procedures for the application and issuance of the Tax Clearance Certificate for Final Settlement of Government Contracts (TCFG). This certificate must be obtained by contractors with existing government contracts and presented before the final settlement to guarantee the full and timely payment and remittance of taxes.

Furthermore, this memorandum order ensures that only tax-compliant contractors are eligible for the final settlement of any government contracts related to goods, consulting services, or infrastructure projects.

 [Click here for the full text of RMO No. 02-2025](#)

REVENUE REGULATIONS NO. 03-2025, PRESCRIBING POLICIES AND GUIDELINES FOR THE IMPLEMENTATION OF R.A. NO. 12023 ENTITLED "AN ACT AMENDING SECTIONS 105, 108, 109, 110, 113, 114, 115, 128, 236 AND 288 AND ADDING NEW SECTIONS 108-A AND 108-B OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED," IMPOSING THE VALUE-ADDED TAX ON DIGITAL SERVICES

On 16 January 2025, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 03-2025, implementing regulations of R.A. No. 12023 which imposes VAT on the supply of digital services.

VAT shall be levied, assessed, and collected, equivalent to twelve percent (12%) of the gross sales derived by a Digital Service Provider (DSP) from its sale or exchange of services in the Philippines pursuant to Sec. 108 of the Tax Code. The phrase "sale or exchange of services" includes the supply or delivery of digital services by DSPs in the Philippines. Those provided by a non-resident DSP shall be considered performed, rendered, supplied, or delivered in the Philippines in the course of trade or business if such digital services are consumed in the Philippines (the buyer is located in the Philippines).

"Digital Services", as defined under the regulations, refer to any service supplied over the internet or other electronic network with the use of information technology and where the supply of the service is essentially automated. It shall include, but not limited to:

- online search engine;
- online marketplace or e-marketplace;
- cloud service;
- online media and advertising;
- online platform;
- digital goods; or
- cloud or IT infrastructure.

The following digital service transactions are exempted:

- Educational services, including online courses, online seminars, and online trainings, rendered by private educational institutions duly accredited by the Department of Education (DepEd), Commission on Higher Education (CHED), Technical Education and Skills Development Authority (TESDA), and those rendered by government educational institutions;
- Sale of online subscription-based services to DepEd, CHED, TESDA and educational institutions recognized by said government agencies; and
- Services of bank, non-bank financial intermediaries performing quasi-banking functions and other non-bank financial intermediaries, including those rendered through different digital platforms.

The Rules cover persons (individual or judicial, resident or nonresident) who, in the course of trade or business, supply, or deliver digital services in the Philippines.

They do not cover the sale, supply, or delivery of physical goods from a foreign territory to a consumer, user, or buyer in the Philippines, it being an importation of goods subject to customs duties, taxes, such as value-added tax (VAT) or excise tax, as may be applicable, and other charges under the Customs Modernization and Tariff Act.

The transactions covered are classified into two, namely:

- Business-to-business (B2B) transactions – Those supplying or delivering digital services to a natural or juridical persons engaged in business located in the Philippines, and the Government of the Philippines.
- Business-to-consumer (B2C) transactions – Supply or delivery of digital services to persons not engaged in business located in the Philippines.

DSPs are categorized either as (1) those directly delivering or supplying digital services to a buyer in the Philippines; and/or (2) those acting as an online marketplace or e-marketplace on the transactions of non-resident sellers or suppliers that go through its platform, provided it controls the key aspects of the supply.

DSPs, whether resident or non-resident, shall register with the Bureau of Internal Revenue (BIR). In registering, Non-resident DSPs need not have a local representative but may appoint a resident third-party service provider for purposes of receiving notices, record keeping, filing of tax returns and other reporting obligations.

DSPs shall file the return and pay the 12% VAT due. If the resident VAT-registered DSP is classified as an e-marketplace with a non-resident participating merchant or seller, it shall also be liable for withholding and remitting the VAT due on the gross sales received by its non-resident participating merchant or seller. In a B2B transaction with a non-resident VAT-registered DSP, persons engaged in business, including the government of the Philippines or any of its political subdivisions, instrumentalities or agencies, shall be liable for withholding and remitting the VAT due on their purchase of digital services.

DSPs shall issue commercial or sales invoices. For non-resident VAT-registered DSPs, the invoices may be electronic and need not be registered with the BIR. However, the contents must be in English or include an English translation.

All non-resident DSPs required to register shall do so within sixty (60) days from the effectivity of the Regulations through the VAT Digital Services Portal and shall immediately be subject to VAT after one hundred twenty (120) days from the effectivity of these Regulations.

BSP MEMORANDUM NO. M-2025-002, GUIDELINES ON THE APPLICATION FOR MERCHANT ACQUISITION LICENSE (MAL)

On 14 January 2025, the Bangko Sentral ng Pilipinas (BSP) issued Memorandum No. M-2025-002, which provides the Guidelines on the Application for Merchant Acquisition License (MAL). Pursuant to Republic Act No. 11127 (National Payment Systems Act) and BSP Circular No. 1198 (Regulatory Framework for Merchant Payment Acceptance Activities), all Operators of Payment Systems (OPS) engaged in or intending to engage in merchant acquisition (MA) must comply with the prescribed electronic submission procedures for MAL applications.

Effective 08 August 2024, BSP requires an OPS to obtain prior authority before engaging in merchant acquisition in the Philippines.

The MAL application process involves three phases: (1) Determination of eligibility, submission of business registration documents, financial proof, and a business plan; (2) Evaluation of application, which includes an assessment of governance, risk management, and operational policies; and (3) Issuance of the license, subject to compliance with regulatory requirements. Additionally, an applicant denied or withdrawing an application must wait six months before re-applying. Banks and Electronic Money Issuers (EMI-NBFIs) that engage in merchant acquisition as part of their regular operations do not need a separate MAL but must notify BSP. Compliance with MAL requirements is essential to avoid application rejection, regulatory penalties, or business disruptions.

[Click here for the full text of BSP Memorandum No. M-2025-002](#)

Related Issuances:

- [Republic Act No. 11127 - The National Payment Systems Act](#)
- [BSP Circular No. 1198, Series of 2024 - Regulatory Framework for Merchant Payment Acceptance Activities](#)

BSP CIRCULAR NO. 1208, SERIES OF 2025, AMENDMENTS TO REGULATIONS ON REPORTING GOVERNANCE FRAMEWORK FOR PAWNSHOPS

On 15 January 2025, the Bangko Sentral ng Pilipinas issued Circular No. 1208, series of 2025 outlining amendments to relevant sections of the Manual of Regulations for Non-Bank Financial Institutions.

The Bangko Sentral directs pawnshops to establish an effective reporting system with an adequate governance process that enables the generation and timely submission of reports in accordance with the Bangko Sentral's reporting standards. The purpose of the reporting governance framework is to facilitate the Bangko Sentral's supervision over pawnshops. Reports submitted must be complete, accurate, consistent, reliable, and timely to be considered compliant with the Bangko Sentral reporting standards. Sanctions shall be imposed for non-compliance with the reporting standards.

[Click here for the full text of BSP Circular No. 1208](#)

Related Issuance:

- [BSP - Manual of Regulations for Non-Banks](#)

BSP MEMORANDUM NO. M-2025-001, SECURITIES AND EXCHANGE COMMISSION (SEC) NOTICE ON CORPORATIONS IN DANGER OF BEING SUSPENDED FOR FAILURE TO SUBMIT ANNUAL REPORTS

On 14 January 2025, the Bangko Sentral ng Pilipinas (BSP) issued Memorandum No. M-2025-001 (Memorandum) ordering all BSP Supervised Financial Institutions (BSFIs) to ensure the conduct of the appropriate customer due diligence on their corporate clients, particularly through updating customer records, information, and risk profile.

The Memorandum stems from the Securities and Exchange Commission (SEC) Notice dated 13 December 2024 (Notice) which provided a list of corporations that have failed to submit their respective Audited Financial Statements and General Information Sheets for eight (8) years, i.e., from 2015 to 2022. Said corporations are currently being evaluated for possible suspension of their Certificates of Incorporation.

[Click here for the full text of BSP Memorandum No. M-2025-001](#)

BANKING

BSP CIRCULAR NO. 1209, THE GUIDELINES FOR THE IMPLEMENTATION OF SECTION 23 OF REPUBLIC ACT NO. 7653 OR THE NEW CENTRAL BANK ACT, AS AMENDED BY REPUBLIC ACT NO. 11211

On 28 January 2025, the Bangko Sentral ng Pilipinas (BSP) issued Circular No. 1209, series of 2025 to provide guidelines for the implementation of its authority to obtain data and information for statistical and policy development purposes. This is pursuant to the provisions of Republic Act No. 11211, which granted the BSP the power to issue a subpoena for such purposes.

Under the Circular, the BSP Governor or his duly authorized representative has the power to issue a data request or a subpoena. A data request is a request by the BSP for data through reports, surveys, and inquiries, which data shall be covered by the applicable confidentiality and data privacy laws. A period of one (1) year after the effectivity of the Circular is given to entities and individuals to make the necessary preparations in their resources, processes, and information systems to ensure compliance. During the one-year transitory period, the concerned entities or individuals shall not be subject to sanctions for non-compliance with BSP's data requests.

Refusal to comply with subpoenas, non-compliant data submissions, or non-submissions shall subject any person or entity to contempt as may be determined by the Monetary Board, or to the sanctions set forth in R.A. No. 11211.


 [Click here for the full text of BSP Circular No. 1209](#)

JUSTICE

ANTI-TERRORISM COUNCIL ADOPTS AMENDMENTS TO THE IRR OF THE ANTI-TERRORISM ACT OF 2020

On 23 January 2025, the Department of Justice (DOJ) held a press conference to announce the adoption of several amendments by the Anti-Terrorism Council (ATC), through Resolution No. 68, series of 2024, to the Implementing Rules and Regulations (IRR) of RA No. 11479, otherwise known as the Anti-Terrorism Act of 2020 (ATA).

The amendment includes clarification on the scope of protected speech, provisions on modernized publication requirements, updates on financial provisions, revisions to detention protocols, and additional responsibilities of Telecom Companies and Internet Service Providers (ISPs).

 [Click here for the Press Release by the DOJ on 23 January 2025](#)

SSS/GSIS


SSS CIRCULAR NO. 2025-001, GUIDELINES ON EMPLOYER LIABILITY FOR DAMAGES IN THE PAYMENT OF SOCIAL SECURITY (SS) BENEFITS DUE TO NON-COMPLIANCE WITH EMPLOYER OBLIGATIONS

On 09 January 2025, the Social Security System (SSS) issued Circular No. 2025-001 (Circular) providing the guidelines on employer liability for damages due to non-compliance with employer obligations.

Under the Circular, the employer shall be liable for damages in the payment of benefits if the following are not complied with prior to the employee's contingency (i.e., sickness, maternity, unemployment, retirement, permanent partial/total disability or death):

- Reported the employee for compulsory coverage;
- Reported the true date of employment of the employee; or
- Remitted the correct amount of contributions due on behalf of the employee as required under the law.

The amount of damages to be paid by the employer shall be equivalent to the cash benefit an employee would have been entitled to if the above obligations were complied with by the employer. By way of exception, the employer is not liable if the contingency occurs within thirty (30) days from the date employment, provided that the corresponding Social Security (SS) contribution prior to said contingency has been paid.

 [Click here for the full text of SSS Circular No. 2025-001](#)

OFWS DO NOT LOSE PARENTAL AND CUSTODY RIGHTS OVER THEIR CHILDREN

On 22 July 2024, the Supreme Court ruled in the case of *David H. Carnabuci v. Harryvette Rowena Tagaña-Carnabuci, et al.* (G.R. No. 266116) that overseas Filipino workers (OFWs) may still exercise parental authority or sole custody over their children despite being assigned abroad.

The case originated from a petition for Habeas Corpus filed by David Carnabuci praying that an order be issued directing respondents to produce the bodies of his two minor children with respondent Harryvette. In his Petition before the Supreme Court, David argues that the Court of Appeals (CA) erred in awarding joint parental authority to him and Harryvette as well as in granting Harryvette sole custody over their children. David contends that Harryvette should be considered “absent” within the contemplation of Article 212 of the Family Code for being away from her place of usual residence. He points out the CA based their ruling on the City Social Welfare Development (CSWD)’s Parenting Capability Assessment Report, but it failed to account for the lack of proof of Harryvette’s employment in France, specifically the exact duration of her stay or her intention, if any, or if she is seeking residency there.

The Court affirmed the award of sole custody over the minor children to respondent Harryvette, with provisional custody to the children’s grandmother (Joselyn). Harryvette has not been remiss in exercising her right to parental authority and custody over her children despite being overseas, with the assistance of Joselyn. Harryvette is able to freely and constantly communicate with their children through the help of technology. She has also been sending money every month to support her children’s daily expenses. David failed to establish that Harryvette’s stay in Paris is permanent given that he himself stated that Harryvette had returned to the country three (3) times since July 2018. The Court ruled that between David and Joselyn, it is Joselyn who can better give her full and undivided attention to the minor children, as opposed to David who was deemed unfit, being a habitual drinker and smoker, and who has previously exhibited violent tendencies.

SC: FOREIGN DEPOSIT ACCOUNTS EXEMPT FROM ESTATE TAX

On 09 October 2024, the Supreme Court ruled in *Commissioner of Internal Revenue (CIR) v. Estate of Mr. Charles Marvin Romig* (G.R. No. 262092) that foreign deposit accounts are exempt from any and all taxes, including estate tax, pursuant to R.A. No. 6426, as amended. The CIR argued that the decedent’s USD Savings Account is subject to estate tax on the ground that the tax exemption of foreign currency deposits under Section 6 of R.A. No. 6426, which took effect in 1972, was revoked upon the enactment of the 1997 National Internal Revenue Code (NIRC). The Supreme Court, however, upheld the exemption in favor of the estate and clarified that the NIRC, a general tax law, cannot modify or repeal a special law such as R.A. No. 6426 in the absence of a clear and explicit repeal provision.

PSYCHOLOGICAL EVALUATION NOT REQUIRED TO PROVE PSYCHOLOGICAL VIOLENCE UNDER ANTI-VAWC ACT

On 22 January 2025, the Supreme Court ruled in the case of *XXX270257 v. People and AAA* (G.R. No. 270257) that a psychological evaluation is not required to prove psychological violence under R.A. No. 9262, or the Anti-Violence Against Women and Children Act. Such evaluation is not required under the law. The victim’s testimony is sufficient to prove emotional or mental suffering. Thus, the conviction of the accused in the said case was affirmed based on his wife’s detailed testimony proving her mental and emotional anguish.

LABOR & EMPLOYMENT

DEPARTMENT ORDER NO. 248, SERIES OF 2025, NEW RULES AND REGULATIONS ON THE EMPLOYMENT OF FOREIGN NATIONALS IN THE PHILIPPINES

On 21 January 2025, the Department of Labor and Employment issued Department Order No. 248, series of 2025 providing the “New Rules and Regulations on the Employment of Foreign Nationals in the Philippines”. The rules apply to all foreign nationals who intend to engage in gainful employment in the Philippines, and to all employers in the Philippines who desire to hire foreign nationals.

The following are the salient changes from the old rules (DOLE Department Order No. 221, series of 2021):

a. Precondition to an application; labor market test (Sec. 1, Rule II)

- Before the filing of an application for an Alien Employment Permit (AEP), the employer shall cause the publication of the vacant position to be filled up and the name of the foreign national it intends to hire in:
 - A newspaper of general circulation
 - The PhilJobnet
 - The Public Employment Service Office (PESO) or Job Placement Office (JPO) having jurisdiction over the intended place of work.

b. Exemption from publication (Sec. 2, Rule II)

- A foreign national intended to be hired to any of the corporate officer positions as identified in the company’s Articles of Incorporation, By-laws or General Information Sheet (GIS), and as certified by the corporate secretary shall be exempted from the requirement of publication.

c. Filing of an application (Sec. 3, Rule II)

- The application for AEP shall be filed with the DOLE Regional Office having jurisdiction over the intended place of work of the foreign national not earlier than fifteen (15) calendar days after publication, and within fifteen (15) calendar days from the execution of the contract of employment between the employer and the foreign national or the issuance of an appointment by the former to the latter.
- In cases where the foreign national shall be assigned to more than one workplace falling under the jurisdiction of different regional offices, the application shall be filed with the DOLE Regional Office having jurisdiction over the primary place of work. The effectivity of the employment contract or appointment shall be conditioned on the issuance of an AEP by DOLE in favor of the foreign national.

d. Application for AEP while foreign national is still outside the country (Sec. 3, Rule II)

- An application for AEP may also be filed and processed while the foreign national intended to be hired is still outside the country, provided that no AEP shall be released unless the foreign national has entered the country with the appropriate pre-arranged employment visa or 9(G) or working visa presented to the DOLE Regional Office.

e. Action on the application (Sec. 9, Rule II)


- Within fifteen (15) working days from payment of the required fee, the DOLE Regional Office, through the Regional Director, shall act on the application by approving or denying the same.

f. Requests for certificate of exemption and exclusion (Sec. 2 and Sec. 4 respectively of Rule V)

- A foreign national falling under any of the exemptions in Sec. 1, Rule V or under any of the exclusions in Sec. 3, Rule V, who intends to be employed in the Philippines shall request a certificate of exemption/exclusion by submitting to the DOLE Regional Office which has jurisdiction over the intended place of work the documentary requirements enumerated under the provisions.

g. Prohibited Acts (Sec. 1, Rule VII)

- The following are the prohibited acts of the employer and foreign national:
 - Any act of misrepresentation, false statement, tampering, fraud or other analogous or similar act that constitutes a ground for denial of an application for AEP under Section 10 a) and b), Rule II of these Rules.
 - Any act that constitutes a ground for revocation of an AEP under Section 3, paragraphs a), b), c) and e) of Rule IV; or
 - Deliberate or willful disregard or non-compliance with any of the provisions of these Rules.

 [Click here for the full text of DO No. 248 s.2025](#)

LABOR & EMPLOYMENT

DEPARTMENT ORDER NO. 247, SERIES OF 2025, IMPLEMENTING RULES AND REGULATIONS ON THE EXECUTION OF DECISIONS OF THE NLRC AND VA PURSUANT TO PD NO. 442

On 15 January 2025, the Department of Labor and Employment (DOLE) issued Department Order (DO) No. 247, series of 2025, providing the Implementing Rules and Regulations (IRR) on the Execution of Decisions of the National Labor Relations Commission (NLRC) and Voluntary Arbitrators (VA) pursuant to the Labor Code of the Philippines in relation to the Magna Carta of Filipino Seafarers (R.A. No. 12021). DO No. 247 took effect on 07 February 2025 following the completion of its publication on 23 January 2025.

Under the IRR, monetary awards granted to a seafarer are divided into two categories: (1) undisputed amounts, and (2) disputed amounts.


Undisputed amounts include the following:

- Any unpaid salary or wage, including the amount equivalent to the unexpired portion of the contract in cases arising from illegal dismissal, and any remuneration capable of being expressed in monetary value as stipulated in the Standard Employment Contract or in the applicable Collective Bargaining Agreement (CBA);
- Any unpaid statutory monetary and welfare benefits; and
- Any undisputed amount which is admitted by a party to be legally due the other party; provided that in case the disability grading is submitted to the determination by a third doctor, the amount corresponding to the disability grading of the third doctor shall be deemed admitted and undisputed.

Disputed amounts, on the other hand, include the following:

- Any disputed amount determined to be legally due the seafarer; and
- Damages, attorney's fees, and other similar awards.

Both types of monetary awards are immediately executory upon finality of such decision or resolution, which is after ten (10) calendar days from the receipt of such by the concerned party or his/her counsel or authorized representative, even pending appeal or judicial review. However, for monetary awards categorized as disputed amounts, the seafarer is required to post a sufficient bond to ensure the full restitution of the amount in case the decision or resolution is reversed. If the seafarer prevails on appeal or judicial review, the losing party shall reimburse the seafarer for the total cost of the seafarer's bond.

 [Click here for the full text of DO No. 247 s.2025](#)

LOCAL GOVERNMENT

DILG MEMORANDUM CIRCULAR NO. 2025-001, CLOSURE OF ALL INTERNET GAMING LICENSES (IGLS) AND PHILIPPINE OFFSHORE GAMING OPERATIONS (POGOS)

On 02 January 2025, the Department of the Interior and Local Government (DILG) issued Memorandum Circular No. 2025-001, ordering the closure of all Internet Gaming Licenses (IGLs) and Philippine Offshore Gaming Operations (POGOs) in compliance with Executive Order No. 74, Series of 2024. This directive follows President Ferdinand Marcos, Jr.'s announcement during the 2024 State of the Nation Address, which mandated an immediate ban on offshore gaming operations in the Philippines.

Under the memorandum, local government units (LGUs) must deny the renewal of permits for offshore gaming operators and prohibit their continued operation. They are also tasked with assisting the Department of Labor and Employment (DOLE) in addressing employment concerns of affected workers, including job placement and visa cancellations. To support enforcement, LGUs must report violations to the Philippine National Police (PNP) and DILG field officers, coordinate with PAGCOR and PAOCC to identify gaming establishments, and conduct inspections to prevent clandestine operations. Additionally, they are expected to work with Technical Working Groups (TWGs) to aid in employment recovery and intensify the crackdown on illegal operators. A final compliance report must be submitted by 10 January 2025, through the DILG Regional Offices.

All existing licenses, permits, and authorizations for POGOs and related businesses have expired on 31 December 2024, and will not be renewed. Any entity operating without valid authorization will be classified as illegal gambling and subject to immediate enforcement actions.

 [Click here for the full text of DILG MC No. 2025-001](#)

REPUBLIC ACT NO. 12120 PHILIPPINE NATURAL GAS INDUSTRY DEVELOPMENT ACT

The Philippine Natural Gas Industry Development Act took effect on 12 February 2025 following its publication in the Official Gazette on 27 January 2025. The new law aims to promote natural gas as a safe, efficient, and cost-effective source of energy and an indispensable contributor to energy security by establishing the Philippine Downstream Natural Gas Industry (PDNGI). PDNGI refers to Permit Holders or those involved in the siting, construction, operation and maintenance, expansion, modification, rehabilitation, decommissioning, and abandonment of PDNGI Facilities and to Participants or those involved in the purchase, supply, aggregation, bunkering, reselling, and export of natural gas.

The Department of Energy (DOE) is tasked with the evaluation, approval, and issuance of the necessary permits for the construction, operation, decommissioning, and abandonment of any PDNGI Facility or activity. Decommissioning and abandonment refers to the removal of the entire PDNGI Facility installation that has reached the end of its productive life and may only be done by a Permit Holder with prior written authorization from the DOE.

Anti-competitive behavior of a Permit Holder or Participant, or their affiliates, shall be punishable under the Philippine Competition Act (RA No. 10667). Criminal violations committed in the implementation of this new law are also subject to appropriate fines and penalties under existing penal laws.

PDNGI Facilities that were constructed prior to the effectivity of the new law shall continue to be operated under their existing permits. Existing PDNG Transmission Systems and Distribution Systems shall likewise be allowed to continue until the lapse of the period accorded in their franchise. However, all Permit Holders and Participants are required to comply with the provisions of the new law within two (2) years from the effectivity of the Implementing Rules and Regulations (IRR) of R.A. No. 12120. The new law tasked the DOE to promulgate the IRR within six (6) months after its effectivity, or until 12 August 2025.

[Click here for the full text of R.A. No. 12120](#)

IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT NO. 12021 MAGNA CARTA OF FILIPINO SEAFARERS

On 08 January 2025, the DMW and MARINA, in coordination with the relevant government agencies, have promulgated the necessary rules and regulations in accordance with Section 97 of RA No. 12021 otherwise known as the Magna Carta of Filipino Seafarers. Salient points of the Implementing Rules and Regulations include execution of judgment and monetary awards of the Magna Carta on existing cases, insurance coverage of benefits due to seafarer or heirs of seafarer and on medical care on-board ships.

[Click here for the full text of the IRR of R.A. No. 12021](#)

PHILHEALTH

PHILHEALTH CIRCULAR NO. 2025-003, BENEFITS PACKAGE FOR PHYSICAL MEDICINE, REHABILITATION SERVICES, AND ASSISTIVE MOBILITY DEVICES

PhilHealth Circular No. 2025-003 is set to take effect on 14 February 2025. The Circular provides the Benefits Package rates for physical medicine, rehabilitation services, and assistive mobility devices such as wheelchairs, walkers, rollators, and canes. All Filipinos are automatically entitled to avail of the benefits package, subject to compliance with existing membership eligibility rules.

There shall be no direct filing of claims by members/beneficiaries as all claims are required to be filed by the contracted Health Facility (HF). PhilHealth shall reimburse the covered services under the applicable provider payment mechanism: (1) case-based payment or (2) fee for service (based on Statement of Account).

[Click here for the full text of Circular No. 2025-003](#)


SEC MEMORANDUM CIRCULAR NO. 18, SERIES OF 2024, REQUIRING LISTED COMPANIES, OTHER PUBLIC INTEREST ENTITIES TO DISCLOSE FEES PAID TO EXTERNAL AUDITORS

On 07 January 2025, SEC published Memorandum Circular No. 18, series of 2024, which provides the Guidelines on the Disclosure of Fee-related Information of External Auditors. It shall apply to the annual financial statements (AFS) of covered companies for the period ending 31 December 2024 and thereafter.

The covered companies under the guidelines shall present in two-year comparative format fee-related information as one of the supplementary schedules in its AFS. The fee-related information include:

- Fees paid or payable to or agreed fees with the external auditor or audit firm and network firms for the audit of financial statements on which the external auditor or audit firm expresses an opinion;
- Other fees charged or billed to a covered company for the provision of services by the external auditor or audit firm or a network firm during the period covered by the financial statements on which the external auditor or audit firm expresses an opinion;
- Other fees charged to any other related entities over which the covered company has direct or indirect control for the provisions of services by the external auditor or audit firm or a network firm when the external auditor or audit firm knows, or has reason to believe, that such fees are relevant to the evaluation of the audit firm's independence; and
- If applicable, the fact that the total fees received by the external auditor or audit firm from the covered company represent, or are likely to represent, more than 15% of the total fees received by the external auditor or audit firm for two consecutive years, and the year that this situation first arose.

Covered companies are not required to provide such fee-related information if it relates to a parent entity or to an entity that is directly or indirectly wholly owned by another public interest entity. Penalties shall be imposed on those who fail to comply with the guidelines.

 [Click here for the full text of SEC MC No. 18, Series of 2024](#)



CONTACT US



www.GSElawfirm.com



Suite 2801 Discovery Center
25 ADB Avenue, Ortigas Center
Pasig City 1605 Philippines



Trunk (632) 8633-9757 to 58 /
8634-2935 / 8638-9345 to 46



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