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# GSE LAW LEGAL UPDATES

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## Statute

### REPUBLIC ACT NO. 12066 RE CORPORATE RECOVERY AND TAX INCENTIVES FOR ENTERPRISES TO MAXIMIZE OPPORTUNITIES FOR REINVIGORATING THE ECONOMY (“CREATE MORE” ACT)

On 11 November 2024, President Ferdinand R. Marcos Jr. signed into law the CREATE MORE Act, amending certain provisions of the CREATE Act (RA No. 11534) which was passed in 2021. By building on the reforms initiated through the CREATE Act, the CREATE MORE Act is intended to enhance the country’s tax regime and incentive framework by making it more inviting for investment – while remaining steadfast in the principles of fiscal prudence and stability. The salient features of the law are discussed below.

#### *Income Tax:*

1. The reduction of the Corporate Income Tax (CIT) for registered business enterprises from 25% to 20% on their taxable income derived from registered projects or activities during each taxable year under the Enhanced Deductions Regime (EDR).
2. Expansion of the scope of eligible business to avail of incentives – from only Registered Export Enterprises (REEs) and Domestic Market Enterprises (DMEs), incentives may now also be availed of by Registered Business Enterprises (RBEs), which includes both foreign and local businesses, subject to certain conditions.
3. The law broadened the scope of income tax exemption arising from Treaties. It provides that income derived under treaties and agreements entered into by the President with economies and administrative regions, subject to the concurrence of the Senate, is exempt from taxes.

4. Revision of the period for availment of incentives for entitled corporations:

Options	Approved by Investment Promotion Agencies (IPAs)		Approved by the Fiscal Incentives Review Board (FIRB)	
	REE	DME	REE	DME / HVDME*
Option 1	ITH 4 to 7 years + SCIT/EDR 10 years	ITH 4 to 7 years + EDR 10 years	ITH 4 to 7 years + SCIT/EDR 20 years	ITH 4 to 7 years + EDR 20 years
Option 2	SCIT/EDR 14 to 17 years	EDR 14 to 17 years	SCIT/EDR 24 to 27 years	EDR 24 to 27 years

\*High-Value Domestic Market Enterprises

5. Broadened the list of allowable deductions under the EDR to include the following:


- 100% additional deductions on power expense;
- 50% additional deductions on manufacturing or tourism RBE who reinvests its undistributed profit or surplus in manufacturing or tourism projects or activities, respectively, that are listed in the SIPP;
- 50% additional deduction on expenses relating to exhibitions, trade missions, or trade fairs; and
- Enhanced Net Operating Loss Carry-Over (NOLCO): NOLCO of the registered project or activity during the first three (3) years from the start of commercial operation, which had not been previously offset from gross income, may be carried over as deduction from gross income within the next five (5) consecutive taxable years immediately following the last year of the ITH entitlement period of the project.

Value-Added Tax (VAT)

1. Clarified the rules governing VAT incentives provided in the CREATE Act: Now, the VAT incentives will be applicable to goods and services that are “directly attributable” to the registered project or activity of a registered company.
2. The following goods and services used directly in the registered activity is VAT exempt or zero-rated:
  - Janitorial services
  - Security services
  - Financial services
  - Consultancy services
  - Marketing and promotional services
  - Administrative operations, including human resources, legal, and accounting services
3. Conditions for VAT exemption and VAT Zero-rating:
  - VAT Exempt: Importation of goods by an REE whose export sales are at least 70% of the total annual production of the preceding taxable year;
  - VAT Zero-rating:
    - Sale of goods and services to/for an REE whose export sales are at least 70% of the total annual production of the preceding taxable year; or
    - Sales to bonded manufacturing warehouses of REE

- VAT on sale, transfer, or disposal of previously VAT exempt importation:
  - VAT Zero-rating:
    - Purchaser is an REE (regardless of location);
    - Seller is a DME, and purchaser is an REE (regardless of location);
  - 12% VAT:
    - Seller is a DME (regardless of location); VAT shall be based on the net book value of the capital goods or materials.

[Click here for the full text of Republic Act 12066](#)



Related issuance:

**RA 11534 CREATE Law**

EXECUTIVE ORDER NO. 74, SERIES OF 2024 RE IMMEDIATE BAN OF PHILIPPINE OFFSHORE GAMING, INTERNET GAMING, AND OTHER OFFSHORE GAMING OPERATIONS IN THE PHILIPPINES, AND FOR OTHER PURPOSES

On 05 November 2024, the President of the Philippines issued E.O. 74 banning all Philippine Offshore Gaming Operators / Internet Gaming Licensees (POGO/IGL) and other offshore gaming operators without the necessary license, permit, or authorization from the relevant government licensing authority. The latter are classified as illegal gambling entities and are covered by the ongoing crackdown on illegal gambling activities.

The term POGO refers to entities that provide and participate in offshore gaming services, including: (a) POGO Licensees, (b) POGO Gaming Agents, and (c) POGO Service Providers. Meanwhile, Offshore Gaming Operations/Services refer to online games of chance, limited to livestreamed e-casino games, online random number games, and online sports betting, exclusively and directly offered to foreign players, located outside of the Philippines, and via online means. The terms POGO or Offshore Gaming Operations/Services include: (a) Internet Gaming Licensees, and (b) Other Offshore Gaming Licensees.





Further, applications for new licenses, permits, or authorizations of POGO/IGL and other offshore gaming applicants and other related, auxiliary, and ancillary services, under the authority of PAGCOR and within the jurisdiction of the Philippines, shall no longer be allowed. All existing licenses to the foregoing shall no longer be renewed or extended.

**Action Required:**  
If included in the definition of POGOs/IGL and other offshore gaming operators, implement complete ceasing of operations in the Philippines on or before 31 December 2024.

 [Click here for the full text of Executive Order No. 74](#)

# Justice


## A.M. NO. 24-04-09-SC RE IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT NO. 11691 THE “JUDICIARY MARSHALS ACT”

On November 25, 2024, the Supreme Court issued the Implementing Rules and Regulations (IRR) for Republic Act No. 11691, also known as the "Judiciary Marshals Act." This move formally operationalized the Office of the Judiciary Marshals, a professional security force under the Supreme Court's direct supervision. The Judiciary Marshals are tasked with ensuring the safety and orderly conduct of court proceedings, including trials, hearings, and official judicial gatherings. They are also empowered to assist courts in witness protection and the secure transport of both witnesses and accused individuals, upon court orders.

In addition to their security functions, the Judiciary Marshals can investigate allegations of graft, corruption, and irregularities within the judiciary, working in coordination with other law enforcement agencies. They are granted prioritized access to public records under government custody, and with proper Supreme Court authorization, they may request private records, such as those held by telecommunications companies, for investigative purposes.

To support these operations, the IRR established the Judicial Marshals Academy, which is responsible for the recruitment, training, and development of marshals, ensuring a capable and well-prepared security force. This comprehensive framework strengthens the judiciary's integrity, enhances witness protection, and promotes the efficient execution of judicial processes.

 [Click here for the full text of A.M. No. 24-04-09-SC](#)

 **Related issuance:**  
**RA 11691 Judicial Marshals Act**

## DOJ DEPARTMENT CIRCULAR NO. 028 RE NATIONAL PROSECUTION SERVICE (DOJ-NPS) RULES ON SUMMARY INVESTIGATION AND EXPEDITED PRELIMINARY INVESTIGATION


On 13 November 2024, the Department of Justice (DOJ) issued the 2024 DOJ-NPS Rules on Summary Investigation and Expedited Preliminary Investigation (Rules) which shall govern the conduct of investigation of crimes or offenses in the NPS of the DOJ where the penalty prescribed by law is one (1) day to six (6) years, fine regardless of the amount, or both.

The Rules institutionalized the following policies:

- 1.The executive and inquisitorial nature of the conduct of summary investigation and expedited preliminary investigation;
- 2.The pro-active role of the prosecutors in the investigation of crimes or offences; and
- 3.The adoption of procedure for e-filing, as well as the conduct of virtual summary investigation and expedited preliminary investigation hearings, as alternatives.

The quantum of evidence for summary investigation and expedited preliminary investigation shall be *prima facie* evidence with reasonable certainty of conviction consistent with that required under Department Circular No. 15, or the “The 2024 Department of Justice-National Prosecution Service (DOJ-NPS) Rules on Preliminary Investigation and Inquest Proceedings”.

 [Click here for the full text of Department Circular No. 028](#)

 **Related issuance:**  
**A.M. No. 24-02-09-SC**

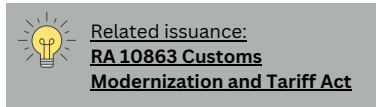
# Customs

## CUSTOMS ADMINISTRATIVE ORDER NO. 03-2024 RE REVISED RATES OF SERVICES, STORAGE AND OTHER CHARGES ON GOODS OR MERCHANDISE STORED AT CUSTOMS FACILITIES WAREHOUSES (CFWS) OPERATING AS AIRPORT TEMPORARY STORAGE WAREHOUSES

On 12 November 2024, the Bureau of Customs (BOC) released Custom Administrative Order No. 03-2024, which provides higher rates on services, storage and other charges on goods or merchandise stored at Customs Facilities Warehouses (CFWs) operating as Airport Temporary Storage Warehouses (ATSW). Only ATSWs accredited as a CFW by the BOC can impose the revised rates, storage, and other charges under CAO No. 03-2024. The revised rates include basic storage rates on imported goods, service charges and ancillary charges.

Violations to CAO No. 03-2024 committed by any person, officer, or employee shall be penalized in accordance with Title XIV of the Customs Modernization and Tariff Act (CMTA) and other applicable penal provisions.

[Click here for the full text of CAO No. 03-2024](#)



## SEC

### SEC MEMORANDUM CIRCULAR NO. 17, SERIES OF 2024 RE EXTENSION OF ENHANCED COMPLIANCE INCENTIVE PLAN APPLICATIONS UNTIL 31 DECEMBER 2024

On 28 November 2024, the Securities and Exchange Commission (SEC) issued SEC Memorandum Circular No. 17, Series of 2024, extending the deadline for applications under the Enhanced Compliance Incentive Plan (ECIP). Entities now have until 31 December 2024 to file their ECIP applications by submitting an Expression of Interest (EOI) through the SEC's eFAST system. This extension provides companies with additional time to comply with the requirements and avail themselves of the benefits under the ECIP program.

To recall, violations covered by the ECIP are the following:

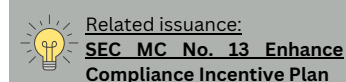
1. Non-filing of GIS for the latest and prior years;
2. Late filing of GIS for the latest and prior years;
3. Non-filing of Financial Statements (FS), whether audited or certified, including fines for its attachments [e.g., Certificate of Existence of Program/Activity COEP, Non-Stock and Non-Profit Organization (NSPO) Forms] for the latest and prior years;
4. Late filing of AFS, including fines for its attachments (e.g., COEP, NSPO Forms), for the latest and prior years; and
5. Violations under MC No. 28, s. 2020.

Submission of Reportorial Requirements: and corporations whose Certificates of Incorporation have been suspended or revoked shall upload and submit their latest Audited Financial Statements (AFS) and General Information Sheet (GIS) until 31 December 2024 via eFAST.

#### Payment of ECIP Fees:

1. PhP20,000.00 for non-compliant corporations
2. PhP3,060.00 as petition fees and an additional 50% of the total assessed fines and penalties for suspended and revoked corporations

[Click here for the full text of SEC Memorandum Circular No. 17](#)



### CIRCULAR NO. 2024-0029 RE QUALITY STANDARDS ON MAINTENANCE HEMODIALYSIS PROCEDURE AS REFERENCE OF THE CORPORATION.

PhilHealth Circular No. 2024-0028 serves as a reference for accredited healthcare providers, members, and regional offices to ensure quality care in hemodialysis claims. It outlines policies on indications, procedures, emergency protocols, diagnostics, medications, equipment, facilities, session guidelines, and reporting requirements, including monitoring and evaluation.

[Click here for the full text of Circular No. 2024-0029](#)

## Taxation

### RMC NO. 123-2024 RE CLARIFICATION ON THE VALIDITY OF A CERTIFICATE OF TAX EXEMPTION ISSUED TO CERTAIN CORPORATIONS.

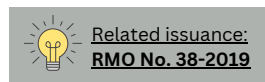
The three (3) year validity period provided in Revenue Memorandum Order (RMO) No. 38-2019 for corporations enumerated under Section 30 of the National Internal Revenue of 1997, as amended, shall not apply to the Certificate of Tax Exemption (CTE) issued to the following corporations:

1. Non-stock and non-profit educational institutions as provided Section 30 (H) of the Tax Code and RMO No. 044-2016;
2. Homeowners' Association as provided under Republic Act (RA) No. 9904 and Revenue Memorandum Circular (RMC) No. 09-2013, as amended; and
3. Non-stock savings and loan association as provided under RA No. 8367 and RMC No. 9-2016.

Furthermore, the three (3) year validity period shall not apply to the issued CTE, or otherwise known as Certificate of Qualification, of an employee's retirement benefit plan created under RA No. 4917 and Revenue Regulations (RR) No. 1-68, as amended by RR No. 1-83.

CTEs issued to the listed corporations and employees' retirement benefit plans remain valid unless revoked by the BIR for valid reasons. Any material changes in the corporation's operations or the retirement plan inconsistent with the basis for tax exemption will require revalidation of the CTE.

[Click here for the full text of RMC No. 123-2024](#)



## **RMC NO. 125-2024 RE AMENDING CERTAIN PROVISIONS OF REVENUE MEMORANDUM CIRCULAR NO. 95-2017, PROVIDING GUIDELINES ON THE TAX TREATMENT OF THE GOVERNMENT SECURITIES REPURCHASE TRANSACTIONS GOVERNED BY THE GLOBAL MASTER REPURCHASE AGREEMENT.**

Certain provisions of RMC No. 95-2017, which provides guidelines on the tax treatment of the Government Securities Repurchase Program (GS Repo Program) under the Global Master Repurchase Agreement (GMRA), have been amended to extend coverage beyond Government Eligible Securities Dealers (GESDs) to include other Covered Entities:

- Non-Bank Financial Institutions (NBFIs), including:
  - Investment Companies or Mutual Funds;
  - Insurance Companies;
  - Trust Companies;
  - Unit Investment Trust Funds (UITFs);
  - Funds established and covered by a trust or Investment Management Account (IMA) agreement under a discretionary agreement in accordance with rules and regulations of the BSP;
  - Government Financial Institutions; and
  - Other Non-Bank Financial Intermediaries / Institutions.

Further, the transmittal of registration and repertorial requirements have been amended from the Law and Legislative Division of the BIR National Office to the concerned BIR Revenue District Office or the Large Taxpayer District Office instead.


[Click here for the full text of RMC No. 125-2024](#)




**Related issuance:  
RMO No. 95-2017**

## **CONTACT US!**

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