



AUGUST 2024  
ISSUE 7, S. 2024

# GSE LAW LEGAL UPDATES

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## Statute

### REPUBLIC ACT NO. 12019 RE THE LOSS AND DAMAGE FUND BOARD ACT, 28 AUGUST 2024

Pursuant to the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement, a fund was created for responding to loss and damage for assisting developing countries that are particularly vulnerable to the adverse effects of climate change (Fund), under the Decision 2/CMA.4 of the Conference of Parties serving as the meeting of Parties to the Paris Agreement (CMA), and during the 27th Conference of Parties (COP) to the UNFCCC.

R.A. No. 12019 establishes the juridical personality and legal capacity of the Governing Board of the Fund (Board), which the Philippines accepted to host.

The Board was granted full legal capacity to (1) contract, acquire and dispose of immovable and movable property, (2) institute legal proceedings, (3) negotiate, conclude, and enter into a hosting arrangement with the World Bank as interim trustee and host of the Fund's secretariat, and (4) undertake activities as necessary for discharging its roles and functions.

[Click here for the full text of R.A. No. 12019](#)

## EXECUTIVE ORDER NO. 67 RE CREATION OF THE PRESIDENTIAL OFFICE FOR CHILD PROTECTION, 06 AUGUST 2024

Section 2 of Republic Act (RA) No. 7610 or the "Special Protection of Children Against Child Abuse, Exploitation and Discrimination Act," as amended, provides that the State shall, among others: (a) provide special protection to children from all forms of abuse, neglect, cruelty, exploitation and discrimination, and other conditions prejudicial to their development, including child labor, in its worst forms, as well as sanctions for their commission; (b) carry out a program for the prevention and deterrence of child abuse, exploitation and discrimination, as well as crisis intervention in such situations; and (c) exert every effort to promote the welfare of children and enhance their opportunities for a useful and happy life.

The "Anti-Trafficking in Persons Act of 2003" established the Inter-Agency Council Against Trafficking (IACAT) to, among others, formulate a comprehensive and integrated program to prevent and suppress trafficking in persons.

Section 30 of RA No. 11930 or the "Anti-Online Sexual Abuse or Exploitation of Children (OSAEC) and Anti-Child Sexual Abuse or Exploitation Materials (CSAEM) Act" created the National Coordination Center Against OSAEC and CSAEM ("National Coordination Center") under the IACAT to develop and implement the necessary programs to prevent any form of child sexual abuse or exploitation, as well as protect, heal and reintegrate the child into the mainstream society.

Pursuant to the foregoing statutes, this Executive Order thus creates the Presidential Office for Child Protection (POCP) under the Office of the President (OP). The POCP shall monitor and harmonize government thrusts, policies, and programs relative to the protection of children and the promotion of their welfare, with special focus on anti-OSAEC, anti-CSAEM, and anti-child trafficking matters.

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## Litigation

### OCA CIRCULAR NO. 265-2024 RE EN BANC RESOLUTION DATED 20 AUGUST 2024 IN A.M. NO. 10-3-7-SC AND A.M. NO. 11-9-4-SC (GUIDELINES ON SUBMISSION OF ELECTRONIC COPIES OF PLEADINGS)

Under Section 1 of the Circular, starting 01 September 2024, no first- or second-level court shall act upon any pleading, motion, or other court document (herein referred to as "pleading or other court submission") filed, served, or offered in evidence in

any civil case governed by the rules of civil procedure, unless the filing service and offer in evidence is accompanied by an electronic transmittal through e-mail of the same pleading or court submission. The additional accompanying documents of the pleading or other court submission, such as annexes, appendices, or exhibits, shall also be electronically submitted.

However, upon motion of the filing party or counsel, a court may waive the requirement of electronic transmittal of the following submissions: (i) annexes, appendices, exhibits, or other accompanying documents to pleadings or other court submissions not readily amenable to digitization to portable document format (PDF); and (ii) sealed and confidential documents or records.

Further, starting 01 September 2024, all orders and other documents issued by any trial court, served upon the parties in accordance with the modes provided in Rule 13 of the 2019 Amendments to the 1997 Rules of Civil Procedure, shall likewise be transmitted to the parties and their respective counsel in PDF copies through e-mail using the court's official e-mail address. The transmittal e-mail to the parties and their counsel shall indicate the primary manner of service of the order or other court document - such as in open court or by registered mail - by the court to the parties. Failure to file a notice of appearance pursuant to Section 4 (a) of this Resolution before the service of a court-issued order or other document shall be deemed a waiver of receipt of the electronic copy.

By 01 December 2024, the primary and mandatory manner of service of outbound court documents within a certified judicial region shall be through electronic transmittal, except for summons, which shall continue to be governed by Rule 14 of the 2019 Amendments to the 1997 Rules of Civil Procedure.

By the same date, all filing and service of pleadings, motions, and other documents to the parties and their counsels in cases within certified judicial regions shall also be done through e-mail of PDF copies.

The submission of e-mail addresses of the counsels, and their law firms if any, shall be mandatory. The counsels of record are required to use their professional e-mail accounts as their e-mail addresses of record. To preserve the confidentiality, privacy, and security of communications, the use by lawyers of personal, nonprofessional e-mail accounts as their e-mail addresses of record is prohibited.

The receipt of an electronic copy shall be proved by its existence in the case record or rollo, without prejudice to the presentation of the proof of filing as provided in the 2019 Amendments to the 1997 Rules of Civil Procedure.

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## BSP CIRCULAR NO. 1199 RE DIVESTMENT OF EQUITY INVESTMENTS, 08 AUGUST 2024

The Monetary Board, in its Resolution No. 805 dated 11 July 2024, approved the amendments to the Manual of Regulations for Banks (MORB) on the divestment of equity investments which are not allowed under applicable laws or which do not comply with applicable regulations.

Under Section 379 of the MORB, as amended, equity investments of banks, which are not allowed under applicable laws or which do not comply with applicable regulations, shall be divested.

Equity investments not allowed under applicable laws shall be divested immediately and without need of notice from the BSP, either for the whole transaction, or in case of divisible transactions, on the portion not allowed under applicable laws.

Equity investments which do not comply with applicable regulations, including those which were disapproved by or for which no request for approval was submitted to the BSP, shall be divested within a period of six (6) months from receipt of notice from the BSP. Divestment may be made for the whole transaction, or in case of divisible transactions, on the portion which does not comply with applicable regulations.

The following sanctions shall be imposed for undertaking equity investments which are not allowed under applicable laws or which do not comply with applicable regulations:

- First offense – divestment of the investment within the required timeline and reprimand on the officer/director who approved of the investment;
- Second offense – On the bank, divestment of the investment within the required timeline, and a fine in amount as may be determined by the Monetary Board to be appropriate, but in no case to exceed PhP1,000,000.00 for each investment. On the director/officer who recommended/approved the investment, reprimand and a fine of PhP20,000.00 for each investment made, provided, the fine shall be shouldered personally by the director/officer, provided further, that if the subsequent offense is an investment in a non-allied enterprise, the fine shall be PhP40,000.00.

Banks which have been directed to divest specific equity instruments which do not comply with applicable regulations shall submit to the BSP for review a divestment plan duly approved by the bank's board of directors (within 15 days from notice), and a quarterly progress report (within 5 calendar days from the end of each quarter).

[Click here for the full text of BSP Circular No. 1199](#)

## BSP MEMORANDUM NO. 2024-026 RE ACCEPTANCE OF ALL FORMATS OF THE NATIONAL ID, INCLUDING THE DIGITAL NATIONAL ID, AND USE OF THE NATIONAL ID AUTHENTICATION SERVICES, 09 AUGUST 2024

All BSP-Supervised Financial Institutions (BSFIs) are required to:

1. Accept all formats of the National ID, including the Digital National ID, as an official government-issued identification document of a person and a valid and primary proof of identity, subject to authentication;
2. Use the National ID Check (<https://verify.gov.ph/check>) to verify the authenticity of the National ID and its other recognized formats, including the Digital National ID. BSFIs are also encouraged to integrate with the National ID System through an application to the National ID Authentication Services; and
3. Include the Digital National ID in the list of acceptable valid IDs.

[Click here for the full text of BSP Memorandum No. 2024-026](#)

# Energy

## DOE DEPARTMENT CIRCULAR NO. DC2024-08-0023 RE GUIDELINES FOR THE AWARD OF MULTI-CLIENT SURVEY CONTRACTS (MSC), 14 AUGUST 2024


Pursuant to the DOE's mandate to establish and administer programs for the exploration, transportation, marketing, distribution, utilization, conservation, stockpiling, and storage of energy resources of all forms, it promulgated DC No. DC2021-08-0027, which provides for the process of selection, evaluation, award, and implementation of contracts/agreements with service providers for the enhancement, acquisition, processing, interpretation, and marketing of upstream petroleum data. This is in recognition of the fact that exploration activities are data-driven and entail different sets of petroleum data to identify prospective areas for oil and gas.

This circular is issued to further simplify the process of selection and award of contracts for the acquisition and processing of new petroleum data which entail no cost to the government.



Under this circular, all areas are considered open for the acquisition of new petroleum data. Any juridical person found to be legally, technically, and financially qualified under the circular may conduct such activities to acquire and process new petroleum data over its area of interest. Provided that, the DOE owns all petroleum data acquired and/or processed pursuant to this circular, subject to the exclusivity period stated in the multi-client service contract (MSC).

Upon application in accordance with Sections 3-4 of the circular, the DOE shall evaluate and issue a notice either qualifying or disqualifying a proponent. If qualified, the proponent will be asked to submit its proposed terms of the MSC, subject to the minimum terms under Section 5 of the circular.

 [Click here for the full text of DOE Department Circular No. DC2024-08-0023](#)

SEC

SEC M.C. NO. 13, SERIES OF 2024 RE  
ENHANCED COMPLIANCE INCENTIVE  
PLAN, 30 AUGUST 2024

SEC MC No. 13-2024 provides details on the SEC’s Enhanced Compliance Incentive Plan (ECIP), whereby corporations are given the opportunity to pay a lower rate of fines corresponding to regulatory violations, as opposed to being subject to the regular schedule of fines and penalties imposed by the SEC.

The coverage and details of the ECIP are as follows:

**Covered Corporations** (including branch offices, representative offices, regional headquarters, and regional operating headquarters of foreign corporations):

- 1.Non-compliant corporations - corporations who have not complied with the prescribed submission of GIS and AFS intermittently or consecutively in the previous years and/or have not complied with MC 28-2020; (Sec. 3.1);
- 2.Delinquent Corporations who have been declared as such pursuant to SEC MC No. 19, Series of 2023; (Sec. 3.1) and
- 3.Revoked and Suspended corporations who have failed in submitting their AFS and GIS, intermittently or consecutively, in the previous years, are non-compliant with MC 28-2020, or both. (Sec. 3.2)

Note: You may also verify the status of your corporation through this link: <https://checkwithsec.sec.gov.ph/>

Covered Violations:

- 1.Non-filing of General Information Sheet (GIS) for the latest and prior years;

- 2. Late filing of GIS for the latest and prior years;
- 3. Non-filing of Financial Statements (AFS), 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; and
- 4. Late filing of AFS, including fines for its attachments (e.g., COEP, NSPO Forms), for the latest and prior years; and
- 5. Violations of SEC Memorandum Circular No. 28, Series of 2020 (MC 28-2020), which requires corporations to designate official and alternative e-mail addresses and mobile numbers for their transactions with the SEC. (Sec. 1)

Required status of fines as of the time of ECIP application:

- 1.Unassessed, i.e., not yet assessed; or
- 2. Without issued Payment Assessment Form; and/or
- 3. Uncollected fines and penalties by the Commission, i.e., already assessed but not yet paid. (Sec. 1)

ECIP Rates:

For Non-Compliant or Delinquent Corporations - PhP20,000.00; or

For Revoked or Suspended Corporations - Petition fee of PhP3,060.00 plus 50% of assessed fines.


Corporations not covered:

- 1.Corporations whose securities are listed on the Philippine Stock Exchange (“PSE”);
- 2.Corporations whose securities are registered but not listed on the PSE;
- 3.Corporations considered as Public Companies;
- 4.Corporations with intra-corporate dispute;
- 5.Corporations with disputed GIS;
- 6.Corporations with expired corporate term; and
- 7.Other corporations covered under Sec. 17.2 of RA No. 8799 or the “Securities Regulation Code.”

Payment of the ECIP fee, in itself, does not confer compliant status to availing corporations. Corporations are required to submit supporting documents as outlined in the subsequent portions of MC No. 13-2024.

For revoked or suspended corporations, the ECIP fee shall only correspond to violation on timeliness; penalties for erroneous entries (i.e., content) in reportorial reports shall be dealt separately.

DEADLINE TO COMPLY: 30 November 2024

 [Click here for the full text of SEC M.C. No. 13-2024](#)

## **BIR RR NO. 14-2024 RE RULES AND REGULATIONS GOVERNING THE MODES OF DISPOSITION OF SEIZED/FORFEITED ARTICLES IN LINE WITH SECTION 130, 131 AND 225 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, 14 AUGUST 2024**

These regulations addresses enforcement issues on operations against illicit trade, particularly in products like cigarettes, vape, perfumes, and other excise-taxed goods. There is a need to decongest storage facilities and dispose of confiscated items appropriately.

Seized or forfeited articles that pose a risk to public health or undermine tax law enforcement are categorized and subjected to specific modes of disposition.

These include tobacco products, distilled spirits, non-essential goods, automobiles, machinery, and other excise-taxed items.

Modes of Disposition:

1. Public Auction: Selling seized or forfeited items through competitive bidding.
2. Negotiated or Private Sale: For unsold items after two failed public auctions, subject to approval.
3. Official Use by BIR: Items suitable for official use may be declared so after unsold auctions.
4. Donation: Unsold items can be donated to other government agencies.
5. Destruction: Items harmful to public health or law enforcement can be destroyed.

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## **BIR RR NO. 15-2024 RE PRESCRIBING POLICIES AND GUIDELINES IN THE MANDATORY REGISTRATION OF PERSONS ENGAGED IN BUSINESS AND ADMINISTRATIVE SANCTIONS AND CRIMINAL LIABILITIES FOR NON-REGISTRATION, AS AMENDED, 15 AUGUST 2024**

All individuals and entities engaged in business activities, including both physical and online businesses, are required to properly register with the BIR. The guidelines are set out to enforce compliance with the tax laws, particularly the National Internal Revenue Code (NIRC) of 1997, as amended, and relevant revenue issuances.

Businesses covered:

1. Sale and/or lease of goods and services through physical stores.
2. E-commerce or online businesses (formal or informal), including the sale, procurement, or availment of physical or digital goods, digital content, digital financial services, entertainment, travel, transport, educational services, social commerce, on-demand labor, property rentals, and more.
3. Operation of digital platforms, including e-marketplace platforms.
4. Digital content creation and streaming that generate income.
5. E-retailing, online freelance services, and other online business models.

When to Register:

1. New Businesses: Businesses must register with the BIR before commencing operations.
2. Existing Businesses: If an entity has already started operations but has not yet registered, they must do so immediately to avoid penalties.
3. Specific Deadlines: Registration must be completed within ten (10) days from the date of employment, before the commencement of business, before payment of any tax due, or upon filing of a return, statement, or declaration as required under the Tax Code.

Digital platforms, such as e-marketplaces, are required to ensure that merchants using their platforms are registered with the BIR. The platform operators themselves must also be registered.

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## **BIR RMO NO. 33-2024 RE RULES AND REGULATIONS IMPLEMENTING REVENUE REGULATIONS (RR) NO. 14-2024 ON THE MODES OF DISPOSITION OF SEIZED / FORFEITED ARTICLES, 30 AUGUST 2024**

This memorandum order adopts and implements uniform guidelines and procedures on the modes of disposition of Seized/forfeited Articles pursuant to RR No. 14-2024, following increased enforcement operations on the illicit trade of locally manufactured and imported articles subject to excise tax.

Under the memorandum order, seized/forfeited articles are classified into either: (1) Injurious to public health, or those that pose a threat or harm to the well-being of persons, encompassing physical health risks such as illness, injury, or disease (e.g. tobacco products, distilled spirits, and sweetened beverages); or (2) Prejudicial to the enforcement of the law and other regulated articles, or those that obstruct or undermine effective implementation of tax laws and revenue issuances (e.g. non-essential goods, manufactured oil and other fuels, automobiles, mineral products, machineries, and all other articles subject to excise tax.

Seized/Forfeited Articles may be disposed in any of the following manner, depending on the kind of article, and under the parameters laid down under the memorandum order:

- 1.Public Auction;
- 2.Negotiated/Private Sale;
- 3.Official Use of the BIR;
- 4.Donation; or
- 5.Destruction.

A BIR Disposition Committee is created under the memorandum order to study and recommend to the Commissioner of Internal Revenue the proper mode of disposition of Seized/Forfeited Articles. In any event, the Seized/Forfeited Articles shall be disposed of in accordance with Sections 131 and 225 of the Tax Code.

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[!\[\]\(c694a3ff3b077d76910920a6a1593ab4\_img.jpg\) Annex A | Annex B | Annex C | Annex D | Annex E | Annex F |](#)

## **BIR RMC NO. 89-2024 RE CLARIFICATION ON THE TAXABILITY OF INCOME DERIVED BY LOCAL GOVERNMENT UNITS ENGAGED IN PROPRIETARY FUNCTIONS, 13 AUGUST 2024**

This circular clarifies the taxability of income derived by Local Government Units (LGUs) engaged in proprietary functions.

Only the income derived by the LGUs from the performance of its proprietary functions shall be subject to Philippine taxes as are imposed upon corporations or associations engaged in similar business, industry or activity.

The following requisites must all be present in order for a specific act of LGU to be considered as proprietary in nature:

- a. The LGU concerned must not be performing an essential governmental function; and
- b. The LGU must be engaged similar business, industry, or activity as performed by other ordinary taxable corporations.

Any income derived by an LGU acting in its corporate capacity and for the purpose of economic gain and profit (“Proprietary Income”) shall be subject to tax and treated just like an income of any other private or government corporation. When LGUs act in its proprietary character, it is regarded as having the rights and obligations of a private corporation. Based on Section 30 of the Tax Code, the income of whatever kind and character of corporations from any of their properties, real or personal, or from any of their activities conducted for profit regardless of the disposition made of such income, shall be subject to tax imposed under the Tax Code.

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## **BIR RMC NO. 91-2024 RE CLARIFICATION ON REGISTRATION PROCEDURES PURSUANT TO REVENUE REGULATIONS NO. 7-2024, AS AMENDED BY REVENUE REGULATIONS NO. 11-2024, 14 AUGUST 2024**

This memorandum clarifies the registration-related procedures provided under Revenue Regulations (RR) No. 7-2024, as amended by RR No. 11-2024, in relation to Republic Act No. 11976 (EOPT Act).

All individuals and entities subject to internal revenue tax must register with the BIR, either electronically or manually, within specific timelines based on the type of taxpayer.

### Ways to Register with the BIR:

1. Manual registration at the respective RDOs; or
2. Online through the:
  - New Business Registration Portal,
  - Taxpayer Registration-Related Application Portal,
  - Philippine Business Hub, or
  - Online Registration and Update System (ORUS).

### On Commencement of Business:

Commencement of business shall be reckoned from the day when the first sale transaction occurred or upon the lapse of thirty (30) calendar days from the issuance of the Mayor’s Permit/Professional Tax Receipt (PTR)/Occupational Tax Receipt (OTR) by Local Government Unit (LGU), or the Certificate of Business Name Registration (CBNR) issued by Department of Trade and Industry (DTI), or the Certificate of Registration (COR) issued by Securities and Exchange Commission (SEC), whichever comes first.

A person shall be considered to have violated this provision when such person failed to register with the BIR within thirty (30) calendar days from the issuance of Mayor’s Permit/PTR/OTR by the concerned LGU, or COR/CBNR issued by the SEC/DTI or the date of its first sales transaction.



## On Foreign Nationals:

Foreign nationals who are securing work and employment permits shall be registered with the BIR following the policies and guidelines prescribed in Revenue Memorandum Order No. 28-2019 (Policies and Guidelines on the Registration Requirements of Foreign Nationals).

## On Registration Issues:

If errors occur during online registration, manual registration is permitted at the RDO with proof of error, except in cases where the BIR issued an Advisory that the ORUS is unavailable.

## On Posting Certificate of Registration (COR):

For taxpayers with physical store, its COR shall be posted in a conspicuous place in the business establishment that can be easily seen by the public. For online sellers, an electronic copy of COR (eCOR) shall be posted on the sellers' website(s) or profile pages at the e-commerce platform.

## On Annual Registration Fee:

The annual registration fee of P500.00 is no longer required as of 22 January 2024, under the EOPT Act.

## On Books of Accounts Registration:

Manual registration is allowed under specific conditions:

a. New Business Registrants - Must be registered before the deadline for filing of the initial quarterly Income Tax Return (ITR) or annual ITR, whichever comes earlier, and before the full consumption of the pages of the previously registered books.

b. Existing Business Taxpayers or Subsequent Registration of Books of Accounts

- Manual Books must be registered before the use of the books, and before the full consumption of the pages of the previously registered books.
- Permanently bound Loose Leaf Books must be registered annually, within fifteen (15) days after the end of each taxable year, unless extended by the Commissioner or his duly authorized representative upon request of the taxpayer before the lapse of the said period.
- Computerized Books of Accounts must be registered annually, within thirty (30) days from the close of each taxable year, unless extended by the Commissioner or his duly authorized representative upon request of the taxpayer before the lapse of the said period.

Manual registration of Books of Accounts at the RDO shall only be allowed under the following circumstances: (a) The taxpayer is experiencing technical issues in ORUS (with proof of error or issue); (b) The taxpayer is already in the office premises of the

RDO registering on the day of the deadline; or (c) The business taxpayer registering Books of Accounts is a senior citizen.

## On Transfer of Registration Records or Closure of BIR Registration:

Transfer or closure of BIR registration will be done by mere filing/submission of the application (BIR Form 1905) along with the respective documentary requirements required under the circular, based on the type of application:

For transfer of registration to another RDO, the following must be submitted:

1. Inventory list of unused invoices and supplementary invoices, or letter request with inventory list, for the use of unused invoices/supplementary invoices in the new RDO;
2. Notarized transfer commitment form (3 original copies);
3. Amended articles of incorporation/partnership/cooperation (for non-individuals), submitted to the new RDO; and
4. Mayor's business permit for the new place of business.

For closure of business registration:

1. List of Ending Inventory of Goods, Supplies, including Capital Goods (1 original copy)
2. Inventory list of unused invoices and supplementary invoices, together with unused invoices/supplementary invoices and all other unutilized accounting forms;
3. Original copies of business notices and permits (e.g. ATP, notice to issue receipt/invoice (NIRI), accreditation certificate and permit to use (for CRM/POS) issued to the taxpayer; and
4. Original copy of the COR.

 [Click here for the full text of BIR RMC No. 91-2024](#)

## **BIR RMC NO. 92-2024 RE GUIDELINES ON THE PROPER SALE AND AFFIXTURE OF LOOSE DOCUMENTARY STAMPS TO TAXABLE DOCUMENTS, 27 AUGUST 2024**

This memorandum circular prescribes the guidelines on the proper sale and affixture of loose documentary stamps to taxable documents.

The affixture of loose documentary stamps to taxable documents shall not apply to the following taxable documents/transactions:

- a. One-Time Transaction (ONETT);

b. Taxable documents issued in the regular operations of mandated taxpayers-users of the Electronic Documentary Stamp Tax (eDST) System of the Bureau of Internal Revenue (BIR); and

c. Certificates covered by the CS/RS under Revenue Regulations (RR) No. 2-2023.

A single piece of loose documentary stamp shall only be purchased and sold by the SRCO/RCO for each taxable document with DST due of not exceeding ₱30.00.

However, taxpayers who issue taxable documents with tax due of not more than ₱30.00, such as schools and universities, except those taxpayers who are using the eDST System and those taxpayers covered by RR No. 2-2023, they shall be allowed to purchase two or more pieces of loose documentary stamps, provided that requirements under the memorandum circular are complied with.

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## **BIR RMC NO. 95-2024 RE CLARIFYING CERTAIN ISSUES ON THE FILING OF MONTHLY DOCUMENTARY STAMP TAX DECLARATION BY ELECTRONIC DOCUMENTARY STAMP TAX (EDST) TAXPAYERS USING BIR FORM NO. 2000 V2018 PURSUANT TO RMC NO. 48-2024, 29 AUGUST 2024**

This memorandum circular clarifies recurring issues encountered by taxpayers on the filing of monthly Documentary Stamp Tax (DST) Declaration by Electronic Documentary Stamp Tax (eDST) taxpayers using BIR Form No. 2000 v.2018 pursuant to Revenue Memorandum Circular No. 48-2024.

The BIR addressed technical issues and provided revised procedures in the accomplishment of certain portions of the eDST forms.

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## **BIR RMC NO. 96-2024 RE AMENDING CERTAIN PROVISIONS OF RMC NO. 5-2001 ON THE GROUNDS AND PROCEDURES FOR THE IMPLEMENTATION OF SECTION 206 OF THE TAX CODE ON 1997 ON CONSTRUCTIVE DISTRRAINT, 29 AUGUST 2024**

This circular amends Section 2 of Revenue Memorandum Circular (RMC) No. 5-2001 on the grounds and procedures for the implementation of Section 206 of the Tax Code on 1997 on constructive distraint.

The circular amends certain provisions of said Section to specify that a notice or warrant of constructive distraint over a taxpayer's properties may be issued in the following circumstances (amendments are underscored):

a. When a taxpayer who applies for retirement from business has a substantial amount of assessment pending with the Bureau of Internal Revenue (BIR). An assessment is substantial if the amount thereof is equal to or higher than the net worth or equity of the taxpayer during the current taxable year;

b. When a taxpayer who is under tax investigation has a record of leaving the Philippines at least twice a year over a twelve (12)-month period, unless such trips are justified and/or connected with his business, profession or employment;

x-x-x

f. When a taxpayer's undeclared income is known to the public or to the BIR by credible means and there is a strong reason to believe that the taxpayer, in the natural course of events, will have a great tendency to hide or conceal his property/ies. For this purpose, the term "undeclared income" means an amount exceeding by at least thirty percent (30%) of the gross sales, gross receipts or gross revenue declared per return;

g. When the BIR receives information or complaint pertaining to undeclared income in an amount exceeding by at least 30% of gross sales, gross receipts or gross revenue declared per return of a particular taxpayer and there is enough reason to believe that the said information is correct as when the complaint or information is supported by substantial and credible evidence;"

The circular also adds that a notice or warrant of constructive distraint over a taxpayer's properties may be issued in the following circumstances:

h. When the taxpayer who is under tax investigation tries to hide or conceal his personal property to prevent discovery thereof by tax authorities;

i. When the taxpayer who is under tax investigation intends to perform any act tending to obstruct the proceedings for collecting the tax due or which may be due from him;

j. When the taxpayer is tagged as Cannot be Located: and

k. Other analogous cases."

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## NPC CIRCULAR NO. 2024-02 RE CLOSED-CIRCUIT TELEVISION (CCTV) SYSTEMS, 09 AUGUST 2024

The National Privacy Commission (NPC) issued NPC Circular No. 2024-02 dated 09 August 2024 on the use of Closed-Circuit Television (CCTV) Systems in public and semi-public areas.

Under NPC Circular No. 2024-02, all Personal Information Controllers (PICs) and Personal Information Processors (PIPs) that use CCTV Systems are required to:

1. Establish policies that govern the operation of CCTV systems, which provide for:
  - a. Information on the legitimate purpose and lawful basis of processing personal information through the CCTV;
  - b. Regular conduct of privacy impact assessments (PIA) and review of the CCTV systems;
  - c. Operational details of the CCTV systems;
  - d. Designation of authorized personnel responsible for the day-to-day operations and monitoring of the CCTV systems;
  - e. Procedures for handling request for access of CCTV footages (for viewing and request for copies of footage), inquiries and complaints, and managing personal data breaches and security incidents involving the CCTV systems;
  - f. Retention Policy;
  - g. Security Measures to be implemented for the protection of the stored CCTV footage; and
  - h. Process for the regular review and assessment of the policy;
2. Provide appropriate CCTV notices to inform data subjects of the existence, purpose, and lawful basis of CCTV system pursuant to NPC Circular No. 2023-04; and
3. Ensure that CCTVs capture footage in a manner consistent with the DPA and to avoid unreasonable intrusions on the data subjects' privacy.

Failure to comply with this mandate may result in the following sanctions and penalties:

1. Revocation of the Certificate of Registration under Section 35(A) of NPC Circular No. 2022-04 (Registration of Personal Data Processing System, Notification Regarding Automated Decision-making or Profiling, Designation of Data Protection Officer, and the Nation Privacy Commission Seal of Registration) for non-compliance with NPC's directives;

2. Liability to pay Administrative Fines for non-compliance under Section 37 of NPC Circular No. 2022-04, as well as NPC Circular No. 2022-01 (Guidelines on Administrative Fines) for other infractions; and/or

3. Issuance of a Cease-and-Desist Order from processing personal data under Section 38 of NPC Circular No. 2022-04.

### DEADLINE TO COMPLY:

All PICs and PIPs have sixty (60) calendar days from the effectivity of the circular, or **until 26 October 2024**, to comply with the requirements.

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## NPC ADVISORY NO. 2024-02 RE GUIDELINES ON PERSONAL DATA PROCESSING BASED ON SECTION 13 (F) OF THE DATA PRIVACY ACT, 09 AUGUST 2024

The NPC issued Advisory No. 2024 – 02 which covers all natural or juridical persons relying on Section 13 (f) of the DPA as a lawful basis for processing personal data.

The Advisory provides that processing on the basis of Section 13 (f) of the DPA requires that the processing is necessary, and the processing is for the protection of lawful rights and interests or the establishment, exercise, or defense of legal claims.


Processing personal information that is necessary for the protection of lawful rights and interests of natural or legal persons in court proceedings or necessary for the establishment, exercise, or defense of legal claims may be considered as legitimate interest under Section 12 (f) of the DPA. As such, Section 13 (f) in relation to Section 12 (f) of the DPA may be a lawful basis for processing personal information for this purpose; Provided that, the PIC must fulfill the requisites for processing based on legitimate interest in NPC Circular 2023-07 or the Guidelines on Legitimate Interest.

The specific processing activity is necessary when it is adequate, relevant, suitable, and not excessive in relation to such legitimate purpose. The specific processing activity must be within the limitations of the law.

[!\[\]\(56549452e01ca28bdf2500ced9653143\_img.jpg\) Click here for the full text of NPC Advisory No. 2024-02](#)

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