

LEGAL UPDATES

SEPTEMBER 2025 | ISSUE NO. 9, S. 2025

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REVENUE REGULATIONS (RR) NO. 23-2025 - UPDATED POLICIES, GUIDELINES AND PROCEDURES IN THE IMPLEMENTATION OF THE TAX SUBSIDY GRANTED BY THE FISCAL INCENTIVES REVIEW BOARD TO THE ARMED FORCES OF THE PHILIPPINES COMMISSARY AND EXCHANGE SERVICE

On 03 September 2025, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 23-2025, providing updated policies and procedures governing the implementation of the tax subsidy granted by the Fiscal Incentives Review Board (FIRB) to the Armed Forces of the Philippines Commissary and Exchange Service (AFPCES).

RR No. 23-2025 establishes comprehensive guidelines on the documentary requirements, validation procedures, and prescribed timelines for the processing and approval of claims related to government subsidies, which underscores the importance of upholding transparency and ensuring accountability in the disbursement and use of public funds, particularly those allocated to the Armed Forces of the Philippines (AFP).

To reinforce fiscal discipline and mitigate the risk of fund misuse, the RR introduces more stringent documentation standards. All claims must now be thoroughly substantiated with complete and verifiable supporting documents such as Purchase Orders (POs), Official Receipts (ORs), and Proof of Delivery and Payment.

[Click here for the full text of RR No. 23-2025](#)

RR NO. 24-2025 - FURTHER AMENDING THE PERTINENT PROVISIONS OF SECTION 2.57.2.(I) UNDER RR NO. 2-98, AS AMENDED BY RR NO. 11-2018, RR NO. 7-2019 AND RR NO. 31-2020, ON THE IMPOSITION OF CREDITABLE WITHHOLDING TAX ON TOP WITHHOLDING AGENTS

On 25 September 2025, the BIR issued RR No. 24-2025, further amending the provisions of Section 2.57.2.(I) of RR No. 2-98. This regulation imposes a withholding tax rate of one-half percent ($\frac{1}{2}\%$) on the gross payments made to manufacturers and direct importers, whether by individuals or corporations, for certain goods intended for wholesale distribution.

The affected goods include:

1. motor vehicles in Completely Built Units (CBUs) or Semi-Knockdown (SKD) units, motor vehicle parts and accessories;
2. medicine/pharmaceutical products; and
3. solid or liquid fuels and related products.

[Click here for the full text of RR No. 24-2025](#)

REVENUE MEMORANDUM ORDER (RMO) NO. 38-2025 - CONSOLIDATED GUIDELINES AND PROCEDURES FOR THE PROCESSING OF CLAIMS FOR REFUND OF EXCISE TAX PAID ON PETROLEUM PRODUCTS, AMENDING RMO NO. 16-2024 AND OTHER RELATED ISSUANCES

On 08 September 2025, the BIR issued consolidated guidelines and procedures for the processing of claims for refund of excise tax paid on petroleum products, amending RMO No. 16-2024 and other related issuances. The Guidelines apply to claims for excise tax refund on petroleum products filed on 01 April 2025 onwards.

Under the Guidelines, the claims for excise tax refund shall be filed within two (2) years after payment of the tax or penalty and must be supported with a duly filed written application and proof of payment. The time-frame to grant the claim for refund is ninety (90) days from date of submission of complete documents.

All claims for excise tax refund on petroleum products shall be made on a quarterly basis, aligned with the taxpayer's accounting period, whether calendar or fiscal, following the procedure below:

A	Submission of application for refund claim at Processing Office (RDO/LTAD)
	1. Check listing and submission of application
	2. Issuance and service of Tax Verification Notice (TVN)
	3. Verification and reporting
B	Review by Reviewing Office (AD/Office of the HREA-LTS)
C	Final review by Approving Office (RD/ACIR-LTS) and signing of approval letter
D	Processing and issuance of Excise Tax Refund
E	Transmittal of docket of approved claim on importation reporting
F	Reporting
G	Safekeeping of the tax Docket

[Click here for the full text of RMO No. 38-2025](#)

RMO NO. 41-2025 - AMENDING RMO NO. 33-2024 ON THE MODES OF DISPOSITION OF SEIZED/FORFEITED ARTICLES

On 25 September 2025, the BIR issued amended guidelines and procedures on the modes of disposition of seized and forfeited articles subject to excise tax pursuant to Sections 130, 131, and 225 of the National Internal Revenue Code.

Under the revised guidelines, the destruction of seized and forfeited articles may now be scheduled either on a regular working day and within business hours, or any other day as may be determined efficient to conduct destruction.

 [Click here for the full text of RMO No. 41-2025](#)

REVENUE MEMORANDUM CIRCULAR (RMC) NO. 81-2025 - REITERATING THE CRITERIA AND GUIDELINES ON THE DEDUCTIBILITY OF ORDINARY AND NECESSARY EXPENSES UNDER SECTION 34(A)(1)(A) OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED

On 03 September 2025, the BIR issued Revenue Memorandum Circular (RMC) No. 81-2025 reiterating the criteria and guidelines on the deductibility of Ordinary and Necessary Expenses under Section 34(A)(1)(a) of the National Internal Revenue Code of 1997, as amended.

CRITERIA FOR DEDUCTIBILITY

The following criteria must be met in order that a business expense may be allowed as deductions from gross income:

1. The expense must be ordinary and necessary

- To be deductible from a taxpayer's income, an expense must be both "ordinary" and "necessary" in the operation of the trade, business, or exercise of a profession.
- Ordinary expenses are those that are common and accepted in the trade or business. Not all expenses deemed necessary qualify as ordinary. In determining whether an expense is ordinary, the size and relative proportion of expenses must be considered. It should meet the test of reasonableness in amount.
- On the other hand, necessary expenses are those that are appropriate and helpful for the development of the taxpayer's business. It is important that the expense is necessary or integral to the income-generating activities of the business.
- Mere allegation that an item of expense is ordinary and necessary does not justify its deduction as business expense as it must be substantially proved by evidence that the deductions claimed are allowed under the existing laws, rules and regulations.

2. The expenses must be paid or incurred within the taxable year

- The deductible business expenses claimed must be for expenses that are paid or incurred within the taxable year when the corresponding revenue is earned.

3. The expenses must be directly attributable to trade, business or profession

- There should be a direct link between the expense being deducted and the taxpayer's business activities. Expenses directly tied to the development, management, operation, or conduct of active trade or business can be deducted as they meet the criteria of being ordinary and necessary. However, expenses related to managing investments that generate passive income may not qualify under the same provision, as they do not relate directly to the taxpayer's active business operations.

4. Substantiation

- The deductions claimed under the law must be substantially proved by the taxpayer. Otherwise, the same will be disallowed. The mere allegation of the taxpayer that an item of expense is ordinary and necessary does not justify its deduction. Pieces of evidence, such as official invoices and vouchers, must be presented to substantiate the business expenses.

EXPENSES PERTAINING TO TAX-EXEMPT INCOME

Expenses solely incurred in relation to tax-exempt income are not deductible for regular income tax purposes. Business expenses related to tax-exempt income do not contribute to the generation of taxable income and therefore do not meet the criteria of being necessary for the conduct of the business in the pursuit of income.

EXPENSES PERTAINING TO INCOME SUBJECT TO FINAL WITHHOLDING TAX

Income subject to final withholding tax is typically taxed at the source, and the tax withheld is considered the final tax liability on that income. Allowing further deductions would distort the taxation principle that final withholding tax is comprehensive and conclusive. Thus, costs related to investment management do not qualify for deductions typically reserved for business operations.

EXPENSES PERTAINING TO INCOME SUBJECT TO PREFERENTIAL TAX RATE

Expenses directly attributable to income subject to a preferential tax rate due to specific incentives or under special laws must be carefully segregated from those subject income. This is to ensure that expenses directly tied to the preferentially taxed income are not deducted from the regular taxable income.

 [Click here for the full text of RMC No. 81-2025](#)

RMC NO. 82-2025 - PUBLISHING THE UPDATED LIST OF REGISTERED MANUFACTURERS/IMPORTERS/EXPORTERS WITH THE CORRESPONDING PRODUCT BRANDS/VARIANTS OF CIGARETTES, HEATED TOBACCO PRODUCTS, VAPOR PRODUCTS, NOVEL TOBACCO PRODUCTS, CIGARS AND CHEWING TOBACCO PRODUCTS WITH THE CORRESPONDING PRODUCTS/BRANDS/VARIANTS AND INTEGRATION OF THE REQUIREMENTS FOR COMPLIANCE PURPOSES

On 10 September 2025, the BIR issued Revenue Memorandum Circular (RMC) No. 82-2025, providing for an updated list of registered manufacturers/importers/exporters with the corresponding product brands/variants of cigarettes, heated tobacco products, vapor products, novel tobacco products, cigars and chewing tobacco products with the corresponding products/brands/variants and integration of requirements for compliance purposes. RMC No. 82-2025 seeks to intensify the BIR's campaign against illicit tobacco products.

The updated list of registered manufacturers/importers/exporters shall reflect the following categories starting 30 August 2025:

1. Manufacturers of Locally Produced Cigarettes (Domestic);
2. Manufacturers of Locally Produced Cigarettes (Export);
3. PEZA-Registered Manufacturers of Cigarettes;
4. Importers of Cigarettes;
5. Manufacturers of Vapor Products;
6. Importers of Vapor Products;
7. Importers of Heated Tobacco Products;
8. Manufacturers of Novel Tobacco;
9. Importers of Novel Tobacco Products;
10. Manufacturers of Cigars;
11. Importers of Cigars;
12. Manufacturers of Chewing Tobacco;
13. Importers of Chewing Tobacco; and
14. Importers of Smoking Tobacco.

RMC No. 82-2025 also reiterated RR Nos. 3-2006, 7-2021, and 14-2022, directing manufacturers/importers/exporters to comply with the requisite registration of brands and variants thereof within six (6) months from the date of release of such RMC to avoid penalties for noncompliance.

Lastly, the products must comply with the requirement on Graphic Health Warning and the affixing of BIR Tax Stamps except novel tobacco products, cigars and chewing tobacco products for which Internal Revenue Stamps Integrated System (IRSIS) stamps are not yet available in the system.

 [Click here for the full text of RMC No. 82-2025](#)

RMC NO. 84-2025 - CIRCULARIZING DOF DEPARTMENT ORDER NO. 012-2025 RE "REVISED SCHEDULE OF FILING FEES IMPOSED ON APPLICATIONS FOR TAX EXEMPTION INDORSEMENTS (TEIS) AND NON-TEIS IN THE REVENUE OFFICE"

RMC No. 84-2025 circularized the Department of Finance (DOF) Department Order (DO) No. 12-2025, in which the DOF reviewed and revised the schedule of filing fees on applications for tax exemption indorsements (TEIs) and non-TEIs.

The revised fees based on DO No. 12-2025 are as follows:

VALUE OF IMPORTATION	FILING FEE
PhP 100,000.00 and below	PhP 300.00
From PhP 100,000.01 – PhP 400,000.00	PhP 500.00
From PhP 400,000.01 – PhP 600,000.00	PhP 700.00
From PhP 600,000.01 – PhP 800,000.00	PhP 900.00
From PhP 800,000.01 – PhP 1,000,000.00	PhP 1,100.00
From PhP 1,000,000.01 – PhP 5,000,000.00	PhP 2,100.00

(continued on the next page)

TAXATION

(RMC No. 84-2025, continued)

The DO shall cover all applications for the issuance of TEIs or Non-TEIs in accordance with the legal bases assigned to The Mabuhay Lane and the Customs and Tariff Division as follows:

The Mabuhay Lane	Customs and Tariff Division
- Applications under the Fiscal Incentives Review Board (FIRB) Resolution No. 026-22, as clarified in FIRB Resolution No. 033-22 - Applications pursuant to Presidential Decree (P.D.) No. 87, P.D. No. 972, and Republic Act (R.A.) No. 9513 - Export-oriented firms [as endorsed by the Investment Promotion Agencies (IPA)] - Books, educational, scientific, and cultural materials pursuant to Section 800(t) of Republic Act (R.A.) No. 10863 or the Customs Modernization and Tariff Act (CMTA), UNESCO Florence Agreement, and Section 109(R) of R.A. No. 10963 (TRAIN Law), as amended - Books or raw materials to be used for book publishing pursuant to Section 12 of R.A. No. 8047 (as indorsed by the National Book Development Board) - Educational institutions that are non-stock, non-profit, pursuant to Section 4(3), Article XIV of the Philippine Constitution - Agricultural and marine food products in their original state pursuant to Section 109(A) of the National Internal Revenue Code (NIRC), as amended by R.A. No. 10963 - Returning residents, persons coming to settle permanently, including "balikbayan," foreign nationals who would like to make the Philippines their second home or investment destination, recalled foreign personnel and other persons similarly situated such as foreign consultants, foreigners assigned to ROHQ, and foreign nationals who shall settle in the Philippines in connection with their registered activity under R.A. No. 7916, pursuant to Section 800(i) of R.A. No. 10863 and Section 109 (C) and (D) of R.A. No. 10963 - Applicants under Balik Scientist Program pursuant to Sections 7(c)(2)(iv), 7(2)(v), and 6(e) of R.A. No. 11035 - Disposition of motor vehicles previously granted tax and duty exemption - Applications pursuant to Section 24(b) par. 1 of R.A. No. 11697, in relation to Executive Order 12, Sec. 12(b) par. 2 of R.A. No. 11697, and Section 24 (b) par. 3 of R.A. No. 11697 in relation to Section 294 (D) of R.A. No. 11534 (CREATE), as amended by R.A. No. 12066 (CREATE MORE) - Applications pursuant by Section 800(m) of R.A. No. 10863	- Applications covered by Section 800 of R.A. No. 10863 - Applications by Airlines with Congressional franchise pursuant to Section 800(v) of R.A. No. 10863 - Applications by Airlines with Congressional franchise pursuant to Section 800(v) of R.A. No. 10863 and Section 109(T) of the NIRC, as amended - Applications by Airlines with Congressional franchise pursuant to Section 800(v) of R.A. No. 10863 and Section 109(U) of the NIRC, as amended - Applications by Domestic Shipping Lines and Airlines without Congressional franchise pursuant to Section 109(T) of the NIRC, as amended - Applications by Domestic Shipping Lines and Airlines without Congressional franchise pursuant to Section 109(U) of the NIRC, as amended - Applications by Globe Telecom, Inc. pursuant to Section 3(a) of R.A. No. 4540, as amended by R.A. No. 7229 - Applications by PAGCOR pursuant to Section 13(1) of P.D. No. 1869 - Applications by San Miguel Aerocity, Inc. pursuant to Section 16 of R.A. No. 11506 - Requests for prior-approval/authority to import pursuant to Section 800(r) of R.A. No. 10863 - Requests for clearance to transfer of operation/ownership of aircraft from one exempt entity to another exempt entity pursuant to Section 800(v) of R.A. No. 10863 and Section 109(T) of the NIRC, as amended - Requests for clearance of the sale of aircraft from an exempt to a non-exempt entity pursuant to Section 800(par. 1) of R.A. No. 10863 and Section 107(B) of the NIRC, as amended - Requests for clearance to return/re-export the leased aircraft, gaming equipment, paraphernalia, telecommunications equipment, parts, and accessories pursuant to Section 800(par. 1) of R.A. No. 10863 and Section 107(B) of the NIRC, as amended

[Click here for the full text of RMC No. 84-2025](#)

Related Issuance: [Department of Finance - Department Order No. 12-2025](#)

RMC NO. 86-2025 - CIRCULARIZING MEMORANDUM CIRCULAR NO. 37, ENTITLED "DIRECTING THE URGENT IMPLEMENTATION OF THE NATIONAL ANTI-MONEY LAUNDERING, COUNTER-TERRORISM FINANCING AND COUNTER-PROLIFERATION FINANCING STRATEGY 2023-2027, AND ENJOINING ALL CONCERNED AGENCIES TO FULLY SUPPORT AND ACTIVELY PARTICIPATE IN THE CONDUCT OF MONEY LAUNDERING/TERRORISM FINANCING NATIONAL RISK ASSESSMENT"

On 29 September 2025, the BIR issued RMC No. 86-2025, circularizing Memorandum Circular No. 37 dated 16 October 2023, entitled "Directing the Urgent Implementation of the National Anti-Money Laundering, Counterterrorism Financing and Counter-Proliferation Financing Strategy 2023-2027, and Enjoining All Concerned Agencies to Fully Support and Actively Participate in the Conduct of Money Laundering/Terrorism Financing National Risk Assessment" (MC No. 37).

Under MC No. 37, all concerned agencies, bureaus, and instrumentalities of the National Government, to immediately and timely formulate and implement relevant strategies, plans and programs to implement National Anti-Money Laundering and Countering the Financing of Terrorism Strategy 2023-2027. MC No. 37 mandates all heads of concerned agencies to: (1) immediately review and assess the respective deliverables of their office under the International Co-operation Review Group (ICRG) action Plans; and (2) establish a mechanism for monitoring of progress and reporting of completion of each deliverable.

[Click here for the full text of RMC No. 86-2025](#)

Related Issuance: [Memorandum Circular No. 37](#)

BSP CIRCULAR NO. 1218, SERIES OF 2025 - REGULATION ON LARGE VALUE CASH TRANSACTIONS

On 18 September 2025, the Bangko Sentral ng Pilipinas (BSP) issued Circular No. 1218 which provides the regulations on large value cash transactions, specifically providing restrictions and implementing the conduct of enhanced due diligence on large value cash-related payments and transactions.

BSP, in its latest sectoral risk assessment and surveillance monitoring, has noted money laundering (ML), terrorism financing (TF), and proliferation financing (PF) risks arising from cash transactions of banks and other BSP-supervised financial institutions (BSFIs). These disclosed the use and abuse of cash-based transactions to move illicit funds into and out of the financial system. Accordingly, the BSP recognizes the need to further reinforce measures to deter the use of cash for illicit activities and promote the integrity of the financial system.

Section 1. Section 923/923-Q of the Manual of Regulations for Banks (MORB)/Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) is hereby amended to read, as follows:

“ x x x x

Regulation on large value pay outs. BSFIs shall adopt appropriate anti-money laundering/countering terrorism and proliferation financing (AML/CTPF) policies and procedures to strictly implement cash transaction limits and restrictions. In this regard, large value payouts (e.g. withdrawals) of more than Five Hundred Thousand Pesos (P500,000.00) or its equivalent in foreign currency shall only be made, facilitated, or transacted through check payment, fund transfer, direct credit to deposit accounts, and/or other form using the digital payment platform of the BSFI. The P500,000 limit may be carried out in a single transaction or in series of transactions within one (1) banking day.

BSFIs may, however, adopt lower cash transaction limits based on its institutional ML/TF/PF risk assessment and/or customer financial profile.

In any case, cash transactions exceeding the set threshold shall be the subject to the conduct of appropriate enhanced due diligence (EDD) measures provided under Section 921/921Q of the MORB/MORNBFI. BSFIs may, after the exercise of EDD, allow large value payouts in cash of more than P500,000.00 or its equivalent in foreign currency, provided that the customer can submit additional identification information and/or proof of legitimate business purpose or transaction.

If the BSFI fails to satisfactorily complete the EDD procedures; or reasonably believes that performing the EDD process will tip-off the customer, it shall file a suspicious transaction report (STR) and closely monitor the account and review the business relationship. The BSFI shall consider the alerts, red flags, and suspicious indicators, as well as typologies noted/reported by relevant government agencies, involving large or unusual cash transactions in filing STR. “

[Click here for the full text of BSP Circular No. 1218, Series of 2025](#)

BSP MEMORANDUM NO. M-2025-032 - CLOSURE OF APPLICATION WINDOW FOR ESTABLISHMENT OF DIGITAL BANKS

On 25 September 2025, the BSP issued Memorandum No. M-2025-032 which provides the closure of the application window for establishment of digital banks starting 01 December 2025.

Digital bank applications received by the Bangko Sentral until 30 November 2025 will be processed on a first-come, first-served basis. Each application will be assessed for completeness and sufficiency of submitted documentation or information, as well as compliance with the licensing criteria on the establishment of digital banks.

Applicants are expected to ensure adherence with the documentary and chartering pre-qualification requirements of the Bangko Sentral.

Applicants received by 30 November 2025 with noted deficiencies in documentary requirements and/or licensing criteria will be returned and considered closed. After the said date, the Bangko Sentral will no longer accept and process new or returned applications.

[Click here for the full text of BSP Memorandum No. M-2025-032](#)

SEC MC NO. 11, SERIES OF 2025 - PROVIDING FURTHER GUIDELINES ON EXEMPT TRANSACTIONS UNDER SECTION 10 OF REPUBLIC ACT (RA) NO. 8799 OR THE “SECURITIES REGULATION CODE” (SRC), AMENDING FOR THE PURPOSE RULE 10 OF THE 2015 IMPLEMENTING RULES AND REGULATIONS OF THE SRC

On 15 September 2025, the Securities and Exchange Commission (SEC) issued SEC Memorandum Circular No. 11, Series of 2025, which provides additional guidelines on exempt transactions under Section 10 of Republic Act No. 8799, otherwise known as the Securities Regulation Code (SRC). The Circular also amends Rule 10 of the 2015 Implementing Rules and Regulations of the SRC.

Section 10 of the SRC enumerates transactions that are exempt from SEC registration. These include, among others, private placements, sales to qualified buyers, and transactions involving amounts below a prescribed threshold.

The new Circular emphasizes that the filing of an application for confirmation of exemption is now optional. However, corporations may still opt to file an application for confirmation if there is uncertainty as to whether a transaction falls within the scope of the statutory exemptions provided under the SRC.

The Circular reiterates that the SEC may, at its discretion, exempt certain transactions from registration even if they are not explicitly covered by Section 10 of the SRC. Such exemptions may be granted when the SEC determines that registration is not necessary in the public interest or for the protection of investors - for instance, due to the limited nature of the public offering or the small amount involved in the transaction.

In these cases, the corporation must file an application for confirmation of exemption, subject to a filing fee equivalent to one-tenth (1/10) of one percent (1%) of the maximum aggregate price or issued value of the securities.

Lastly, the Circular underscores that securities sold under an exempt transaction, whether pursuant to the SRC or through the discretion of the SEC, cannot be subsequently offered or sold to the public without prior registration with the SEC, unless the subsequent transaction also qualifies as an exempt transaction under the SRC or has been confirmed as such by the SEC.

[Click here for the full text of SEC MC No. 11, Series of 2025](#)

Related Law: [Republic Act No. 8799 - The Securities Regulation Code](#)

SEC MC NO. 12, SERIES OF 2025 - AMENDMENTS TO RULE 8.1.2. OF THE 2015 IMPLEMENTING RULES AND REGULATIONS OF THE SRC – DELAYED AND CONTINUOUS OFFERING AND SALE OF SECURITIES

The SEC issued Memorandum Circular No. 12, Series of 2025, amending Rule 8.1.2 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code (SRC). The revised rule introduces an Enhanced Shelf Registration framework designed to provide issuers with increased flexibility and efficiency in offering securities through delayed or continuous tranches while ensuring adequate regulatory oversight.

One of the key amendments is the period of registering Securities intended to be issued in tranches at more than one instance. The shelf registration period is now expressly set to a maximum of five (5) years from the date the registration statement (RS) is rendered effective by the SEC.

A guideline on the documentary submissions and registrations statement for subsequent tranches was also incorporated to Rule 8.1.2. Under this guideline, issuers offering securities in a subsequent tranche(s) after the initial offering shall apply for a Permit to Sell (PTS) by submitting the listed documents in the amended Rule 8.1.2. This required list of documents are intended to be simplified and fewer than the requirements in the initial registration. The guideline also provided a timeline for PTS application. For each subsequent tranche/s to be offered within one (1) year from the initial tranche or the last issue tranche, provided that the requirement to submit new financial statements under Rule 68 of the SRC is not triggered or the Company does not submit new financial statements as part of the Registration Statement, the PTS application shall be filed no later than thirty (30) calendar days prior to the commencement of the offer or the sale of the said securities.

On the other hand, for each subsequent tranche/s to be offered more than one (1) year after the initial tranche or the last issued tranche, the PTS application shall be filed not later than thirty (30) calendar days prior to the commencement of the offer or the sale of the said securities.

Another significant amendment relates to the deadlines for paying registration fees on subsequent tranches. It revises the earlier rule, which required payment of the registration fee at least seven (7) days before the start of the offer, and now provides that the fee must be settled within the validity period specified in the Payment Assessment Form.

[Click here for the full text of SEC MC No. 12, Series of 2025](#)

Related Issuance: [Implementing Rules and Regulations of Republic Act No. 8799 - The Securities Regulation Code](#)

SEC MC NO. 13, SERIES OF 2025 - SEC GUIDELINES ON PHILIPPINE GREEN EQUITY

On 23 September 2025, the SEC issued the Guidelines on Philippine Green Equity which shall primarily govern the designation of the Green Equity label in the Philippine stock market. It is intended to provide a coherent framework for issuers that voluntarily choose to align their equity offerings or listings with environmentally sustainable finance objectives.

Under the Guidelines, “Green Activities” refers to economic activities that are classified as Green under the Philippine Sustainable Finance Taxonomy Guidelines (SFTG) or the ASEAN Taxonomy for Sustainable Finance (ATSF). “SFTG” is the document which provides guidance on the classification of economic activities as being environmentally and socially sustainable. “ATSF” is the multi-tiered framework designed to be an inclusive and credible classification system for sustainable activities in ASEAN.

To qualify for the Green Equity label, a company must satisfy the following criteria:

1	Revenue	At minimum, more than 50% of the revenue of the company, as reported in the latest audited annual financial statements, must be derived from Green Activities.
2	Investments	At minimum, more than 50% of the investments (sum of capital expenditure and operating expenditure) of the company, as reported in the latest audited annual financial statements, must be channeled towards Green Activities.
3	Fossil Fuel Limitation	Revenues of the company derived from fossil fuel must be limited to less than 5% to be eligible to the Philippine Green Equity Label.
4	Taxonomy Alignment	The company’s activities must meet the eligibility criteria of the SFTG or ATSF.

The company’s alignment with the foregoing criteria must be assessed by an external reviewer applying its published proprietary methodology for the assessment and detailing all required information in an assessment report. The assessment reports must be made publicly available, through a website designed by the company.

A company applying for the Green Equity label shall specifically signify its intention to label its shares as such prior to its offering. If the shares are outstanding, such intention must be signified prior to referring the shares as Green Equity, through a letter addressed to the SEC and the submission of required documents.

The Commission shall notify the applicant in writing of its action within forty-five (45) days. The applicant must immediately inform the SEC in case of any change in its circumstances from what is demonstrated by the information submitted that may materially affect the SEC’s evaluation of the application.

The SEC may cancel, suspend, or recognize the withdrawal of the use of the Philippine Green Equity Label based on the grounds enumerated under the Guidelines. A company may reapply for Green Equity designation upon the completion of necessary requirements and submission of confirmation by an external reviewer that the company fully complies with the applicable standards and requirements.

A company whose label has been cancelled or suspended because it committed material misrepresentation, omission, or submission of false or misleading information in its application or subsequent reports may only reapply after two (2) years from the date of cancellation or suspension.

Any violation of the requirements shall be dealt with and penalized in accordance with the provisions of the Securities Regulation Code, its Implementing Rules and Regulations, and other applicable laws, regulations, circulars, and orders issued by the SEC.

[Click here for the full text of SEC MC No. 13, Series of 2025](#)