

LEGAL UPDATES

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SUPREME COURT

G.R. NO. 255749 - PEOPLE OF THE PHILIPPINES V. JERYL BAUTISTA Y MARTINEZ

In *People v. Bautista*, the Supreme Court ruled that items discovered during a lawful warrantless search incident to arrest may be admitted as evidence even if they were not in plain view of the arresting officers.

The case arose from a buy-bust operation. An undercover officer purchased a sachet of shabu worth PhP500.00 from Jeryl Bautista. After the transaction, other officers arrived at the scene and arrested him. During the arrest, an officer conducted a body search and discovered three additional sachets of suspected shabu hidden inside a cellphone charger, along with a cellphone, a screwdriver, a weighing scale, and the marked buy-bust money. The seized items were later marked, inventoried, and photographed.

Bautista argued that the three additional sachets should not be admitted as evidence because they were not in plain view when seized by the police. According to him, the seizure violated the constitutional protection against unreasonable searches and seizures.

The Supreme Court rejected Bautista's argument and affirmed his conviction for illegal possession of dangerous drugs under Republic Act No. 9165. The Court explained that the plain view doctrine is not the only exception to the warrant requirement. Another recognized exception is a warrantless search incident to a lawful arrest. Under this rule, once a person has been lawfully arrested, police officers may conduct a search of the person and the area within the person's immediate control.

The Court held that Bautista's arrest during the buy-bust operation was lawful. Consequently, the body search conducted immediately after the arrest was also valid. The fact that the additional sachets were hidden inside a cellphone charger and not visible to the officers beforehand does not invalidate the search, since the search was performed as an incident to a lawful arrest.

The Supreme Court also found that the prosecution successfully proved the elements of illegal possession of dangerous drugs: the seized sachets contained shabu, that Bautista had no authority to possess them, and his act of hiding them inside a charger showed that he knowingly possessed the drugs. Accordingly, the Court affirmed Bautista's conviction, sentencing him to imprisonment of up to sixteen (16) years and ordering him to pay a fine of PhP300,000.00.

[Click here for the full text of *People v. Martinez*](#)

G.R. NO. 258592 - RODRIGO LOZA Y APOLONIO V. PEOPLE OF THE PHILIPPINES

In *Loza v. People*, while applying for his National Bureau of Investigation (NBI) clearance, Rodrigo Loza was flagged for a "hit" under the NBI's database, indicating that a case had been filed against him before the Regional Trial Court (RTC) of Legazpi City.

While the NBI verified the status of the case against him, Loza was allowed to leave the NBI District Office. After returning to the District Office for his scheduled interview, Loza was informed that there was a pending warrant of arrest against him. Loza then uttered the words "masuko na lang ako" (I will surrender), while asking the NBI officers for help in posting his bail.

Notably, the arrest warrant's return and the order of release, which the lower courts heavily relied upon, stated that Loza was "arrested" instead of acknowledging his voluntary surrender. Thus, when he was convicted of bigamy, the trial court refused to recognize his voluntary surrender as a mitigating circumstance.

The Supreme Court held a different view and ruled that the requisites for voluntary surrender were present in this case:

- First, at the time of his surrender, Loza was not yet arrested seeing as the arrest warrant was not yet actually served upon him.
- Second, there was no doubt that he surrendered to a person in authority because his utterance of the words "masuko na lang ako" were directed towards an NBI agent.
- Third, his surrender was clearly a voluntary act given he returned to the NBI District Office despite knowing there was a "hit" on his name under the NBI database. Further, upon learning of the arrest warrant, he acknowledged the person in authority before him and willingly relinquished his freedom.

The Supreme Court admonished the lower courts for solely relying upon the statements of records in determining that Loza was arrested, since the totality of circumstances would clearly show that he voluntarily surrendered before the NBI. Accordingly, the Supreme Court modified the trial court's ruling, recognizing Loza's voluntary surrender as a mitigating circumstance.

[Click here for the full text of *Loza v. People*](#)

SUPREME COURT

G.R. NO. 267469 - JENNIFER C. JOSEF V. EVALYN G. URSUA

In *Josef v. Ursua*, the Supreme Court ruled that same-sex couples who cohabit may be recognized as co-owners of a property under Article 148 of the Family Code of the Philippines, provided there is proof of actual contribution to the acquisition of the property.

In this case, the parties lived together, and about a year into their relationship, they purchased a house and lot in Quezon City, which they registered solely in Evalyn Ursua's name to facilitate banking transactions. Upon separation, they initially agreed to sell the property and divide the proceeds equally. Ursua executed an Acknowledgment stating that Jennifer Josef had paid approximately 50% of the purchase and renovation costs. Later, Ursua refused to sell the property and denied Josef's ownership interest.

To protect her interest, Josef annotated an adverse claim on the title and demanded the partition of the property. Ursua denied co-ownership, submitted documentary evidence purporting to show sole ownership and claimed that her signature on the Acknowledgment was falsified. When negotiations failed, Josef filed a case before the Regional Trial Court (RTC) relying on the Acknowledgment as proof of contribution and co-ownership.

The RTC dismissed the complaint for lack of proof and ordered Josef to pay damages. The Court of Appeals affirmed the dismissal but deleted the award of damages. Josef elevated the matter to the Supreme Court.

Reversing the lower courts, the Court explained that Article 147 of the Family Code applies to unmarried couples who are legally capable of marrying each other, where property acquired during cohabitation is presumed to be jointly owned. In contrast, Article 148 applies to couples who are legally prohibited from marrying, in which case only properties acquired through actual contribution are considered common property. Since Philippine law presently recognizes marriage only between a man and a woman, the Court held that same-sex couples fall within the coverage of Article 148.

Applying this rule, the SC held that the Acknowledgment constituted a binding admission and sufficient proof of Josef's actual contribution. Any ambiguity in the document was construed against the author, favoring Josef, thereby establishing her co-ownership over the property. Accordingly, the Complaint for Partition of Real Estate filed by Josef is granted and Josef was declared as owner of 50% of the subject property.

[Click here for the full text of *Josef v. Ursua*](#)



SEC MEMORANDUM CIRCULAR (MC) NO. 8, SERIES OF 2026 - RULES OF PROCEDURE OF THE SECURITIES AND EXCHANGE COMMISSION

Securities and Exchange Commission (SEC) Memorandum Circular (MC) No. 08, Series of 2026 introduced the 2026 Rules of Procedure of the SEC (SEC Rules), superseding the 2016 Rules of Procedure, to streamline both administrative and adjudicative procedures, expedite case resolution, and enhance clarity and predictability for all stakeholders.

The SEC Rules updates and aligns the SEC's procedural framework with its powers under the following:

- Republic Act (RA) No. 8799 - Securities Regulation Code (SRC);
- RA No. 11232 - Revised Corporation Code of the Philippines (RCC); and
- RA No. 11765 - Financial Products and Services Consumer Protection Act (FCPA).

The SEC Rules are applicable to all administrative and adjudicative proceedings before the Commission, including its Operating Departments, Extension Offices, and Special Hearing Panels (SHPs).

The SEC Rules provides that the primary mode of filing and service for initiatory pleadings shall be through registered mail, accredited courier, or by electronic mail. However, all subsequent pleadings and submissions shall be by electronic mail addressed to the official email address of Operating Departments, Extension Offices, SHPs, or the Commission En Banc. Electronic filing and service shall be in accordance with the Rules on Electronic Evidence and in Portable Document Format (.pdf). The date of electronic transmission shall be considered as the date of filing.

The primary manner of service of the decisions, resolutions, orders, and other processes emanating from the Commission shall also be through electronic mail.

(Continued on the next page)

(SEC MC No. 8, Series of 2026 - Rules of Procedure of the SEC, continued)

If service by electronic mail is not feasible, the following rules shall be applicable:

Individuals	<ol style="list-style-type: none"> 1. Electronic mail to the email address of the individual, counsel, or authorized representative; or 2. Personal, registered mail, or accredited courier.
Corporations	<ol style="list-style-type: none"> 1. Electronic mail to the registered email address provided in its SEC MC No. 28, Series of 2020; 2. Electronic mail to any director, officer, corporate secretary, or agent; or 3. Personal, registered mail, or accredited courier
Foreign Corporations Doing Business in the Philippines	<ol style="list-style-type: none"> 1. Electronic mail to the email address of its resident agent; 2. If no resident agent, electronic mail to its principal office; or 3. Personal, registered mail, or accredited courier.

In all cases, service by publication shall be deemed complete upon publication of decisions, resolutions, orders and other processes on the Commission’s website.

To expedite case resolution of adjudicative and administrative cases, the following pleadings are prohibited:

1. Motion to Dismiss, except on grounds of lack of jurisdiction on the part of the Commission, prescription, pendency of another case involving the same parties and action, or res judicata for issues raised involving the same parties which have already been resolved by the Commission;
2. Motion for a Bill of Particulars;
3. Motion for Reconsideration, except those filed pursuant to Rule XIII of these SEC Rules;
4. Petition for Relief from Judgment;
5. Motion for Extension of Time to file pleadings, affidavits, or any other submission of similar purpose;
6. Motion to Declare a Party in Default;
7. Motion for Postponement and any similar motions;
8. Motion for Leave to Amend Pleadings;
9. Reply; and
10. Rejoinder

A party seeking to reverse a decision of the Operating Departments and Extension Offices may no longer file a Motion for Reconsideration; instead, the aggrieved party shall directly file an appeal with the Commission En Banc. In case a party fails to answer within the prescribed period, the case is automatically submitted for decision and no Motion for Extension or Motion to Declare a Party in Default will be entertained.

The Operating Departments, Extension Offices, SHPs, or the Commission En Banc, in its discretion, may order a Case Conference after an Answer has been filed and before rendition of decision to explore the possibility of an amicable settlement. A Case Conference may be conducted in person, virtually, or through the submission of a position paper. However, no settlement offer will be allowed after an order, decision or resolution resolving the case has become final and executory, or if the case involving the matter subject thereof is already pending with the courts.

Additionally, as part of its initiative to reduce cost and lessen evidentiary burden, the Commission may take administrative notice of any information or document in its custody and records, including General Information Sheets, Articles of Incorporation, and Annual Financial Statements.

The SEC Rules also integrated enforcement mechanisms further reinforced under recent laws, including the power to issue cease and desist orders (CDOs). The Operating Departments, Extension Offices, or SHPs may, motu proprio or upon a complaint without the necessity of hearing, issue a CDO which shall be immediately executory.

Under the RCC, CDOs are issued ex parte against acts involving fraudulent activities or those that may be reasonably expected to cause significant, imminent, and irreparable danger or injury to public safety or welfare and valid for twenty (20) days. Under the SRC, CDOs are likewise issued ex parte against acts constituting investor fraud or those likely to cause grave or irreparable injury or prejudice to the investing public and valid for ten (10) days. Under the FCPA, CDOs may be issued against acts or practices of a financial service provider that amount to fraud, violates its provisions, or may cause grave or irreparable injury or prejudice to financial consumers.

Lastly, the SEC Rules shall only be applied to cases initiated after its effectivity, unless its application is practicable and will promote just, speedy, and efficient resolution of cases.

[Click here for the full text of SEC MC No. 8, Series of 2026](#)

SEC MC NO. 9, SERIES OF 2026 - FILING OF ANNUAL FINANCIAL STATEMENTS AND GENERAL INFORMATION SHEET

The SEC issued MC No. 9, Series of 2026, prescribing the guidelines and deadlines for the 2026 filing of Annual Financial Statements (AFS) and General Information Sheets (GIS) of corporations. The Circular implements the reportorial requirements under the Revised Corporation Code (RCC) and supports the government's policy to automate business-related transactions through electronic platforms.

Covered Corporations

All corporations, including branch offices, representative offices, regional headquarters (RHQs), and regional operating headquarters (ROHQs) of foreign corporations, whose fiscal year ends on December 31, must file their AFS through the SEC Electronic Filing and Submission Tool (eFAST) on or before 29 May 2026. This filing schedule applies to corporations under the jurisdiction of both the SEC Central Office and SEC Extension Offices. Late submissions will be subject to applicable penalties.

Certain corporations are excluded from the prescribed deadline, including:

- Corporations with fiscal years ending on dates other than December 31, which must file their AFS within 120 calendar days from the end of their respective fiscal years.
- Public companies, companies with securities listed on the Philippine Stock Exchange (PSE), companies with registered but unlisted securities, and other entities covered under Section 17.2 of the Securities Regulation Code, which must submit their AFS as an attachment to their Annual Report (SEC Form 17-A) within 105 calendar days from the end of their fiscal year. Brokers and dealers, whose fiscal years end on December 31, which must file SEC Form 52-AR on 30 April 2026, or 110 calendar days after the end of the fiscal year if their fiscal year does not end on December 31.
- Corporations whose AFS are audited by the Commission on Audit (COA), provided that the filing includes an affidavit from the President and Treasurer (or Chief Finance Officer) confirming timely submission of the financial statements to the COA, together with a letter from the COA confirming the same.

Filing of the AFS

The AFS submitted to the SEC must comply with the formal requirements under Revised SRC Rule 68 and must generally be stamped "received" by the Bureau of Internal Revenue (BIR). Corporations that filed their financial statements through the BIR's eAFS system must attach the system-generated confirmation receipt or transaction reference number evidencing successful submission.

The Circular also clarifies which corporations are required to submit Audited Annual Financial Statements (AAFS):

- Stock corporations with total assets or total liabilities exceeding PhP3,000,000;
- Non-stock corporations with total assets or total liabilities exceeding PhP3,000,000;
- Branch offices or representative offices of foreign stock corporations with assigned capital of at least PhP1,000,000;
- Branch offices or representative offices of foreign non-stock corporations with total assets of at least PhP1,000,000; and
- Regional operating headquarters of foreign corporations with total revenues of at least PhP1,000,000.

Corporations that do not meet these thresholds may submit financial statements accompanied by a Statement of Management's Responsibility (SMR) signed under oath by the appropriate corporate officers.

Filing of the GIS

All corporations are likewise required to submit their GIS through eFAST within the following periods:

- Within 30 calendar days from the date of the actual annual stockholders' meeting for stock corporations;
- Within 30 calendar days from the date of the actual annual members' meeting for non-stock corporations; and
- Within 30 calendar days from the anniversary date of the issuance of the SEC license for foreign corporations.

The SEC reiterates that all annual reportorial requirements must be filed electronically through the eFAST system. Reports not yet accepted through eFAST must instead be submitted through the SEC iMessage Online Ticketing System. The SEC will no longer accept submissions through email, mail, courier, or over-the-counter filing.

Reports submitted through eFAST are automatically issued a QR code upon filing, although the reports remain subject to post-review by the SEC. The Commission may revert submissions for reasons such as poor image quality, incorrect company profile, incorrect reporting period, or erroneous filings. A reverted report is deemed not filed until a compliant submission is made.

Other matters for compliance

The circular also reiterates that corporations covered by Revised SRC Rule 68 must engage SEC-accredited external auditors in accordance with the appropriate accreditation category.

[Click here for the full text of SEC MC No. 9, Series of 2026](#)

SEC MC NO. 10, SERIES OF 2026 - GUIDELINES ON THE COMPLIANCES OF ONE PERSON CORPORATIONS (OPCS)

SEC MC No. 10, Series of 2026 on the Guidelines on the Compliances of One Person Corporations (OPCs) provides a consolidated framework for monitoring the reportorial and regulatory obligations of OPCs organized under the Revised Corporation Code of the Philippines (RCC). It compiles the principal compliance requirements applicable to OPCs, prescribes standardized procedures and forms for submissions to the SEC, and sets out the applicable schedule of administrative fines and penalties.

Under the MC, OPCs must comply with specific organizational and reportorial requirements following incorporation:

1. **Appointment and reporting of officers** - OPCs must appoint required officers, such as the Treasurer and Corporate Secretary, and file a Form for Appointment of Officers (FAO) with the SEC within twenty (20) days from issuance of the Certificate of Incorporation. Any subsequent appointment or change in officers must be reported through the same form within five (5) days from the date of appointment.
2. **Financial reporting obligations** - OPCs are required to submit annual financial statements within 120 days from the end of their fiscal year. The circular reiterates that, pursuant to the adjustment of the audit threshold under SEC MC No. 04, s. 2026, only OPCs whose total assets or liabilities exceed Php3,000,000.00 must submit audited financial statements. Smaller OPCs may submit financial statements accompanied by the prescribed sworn certification of the President and the Treasurer.
3. **Bond requirement for self-appointed treasurers** - Where the sole stockholder assumes the position of Treasurer, the OPC must post the required surety, cash, or property bond in accordance with the RCC. Existing registered OPCs with no filings of Appointment of Officers are given thirty (30) days from the effectivity of the circular to comply with the necessary posting of bonds. The circular also provides procedures for the release of the bond upon the appointment of a separate treasurer.
4. **Standardized penalties** - MC No. 10-2026 further establishes a schedule of fines and penalties for non-compliance with OPC reportorial obligations, including late or non-filing of required forms and financial statements.

[Click here for the full text of SEC MC No. 10, Series of 2026](#)

SEC MC NO. 11, SERIES OF 2026 - MINIMUM PUBLIC OWNERSHIP RULES FOR ISSUERS OF SHARES OF STOCK TO BE LISTED ON AN EXCHANGE

SEC MC No. 11, Series of 2026 governs the public ownership requirement of companies intending to undertake initial public offering (IPO) as part of the terms and conditions for the registration of securities. These rules shall apply to any company applying for the registration of its shares of stock for the purpose of conducting an IPO.

Minimum Initial Public Ownership

A. A covered company filing a registration statement pursuant to Sections 8 and 12 of the Securities Regulation Code (SRC), with the intention to list their shares for trading on an exchange, shall apply for registration with a public float that meets the minimum requirements provided below:

Expected Market Capitalization at the Time of Listing	Minimum Initial Public Ownership
Not exceeding Php500 Million	33%
Over Php500 Million but not exceeding Php1 Billion	25% (subject to a minimum offer size of Php165 Million)
Over Php1 Billion but not exceeding Php50 Billion	20% (subject to a minimum offer size of Php250 Million)
Over Php50 Billion	15% (subject to a minimum offer size of Php10 Billion)

B. In cases involving issuers with exceptionally large expected market capitalization at the time of listing, the exchange may endorse the application of a lower minimum initial public ownership requirement;

- Provided, that this subsection shall apply only to issuers with an expected market capitalization at the time of listing of not less than Two Hundred Billion Pesos (Php200,000,000,000).
- Provided, further, that such minimum initial public ownership shall in no case be lower than twelve percent (12%).

(Continued on the next page)

(SEC MC No. 11, Series of 2026 - Minimum Public Ownership Rules for Issuers of Shares of Stock to be Listed on an Exchange, continued)

Maintenance and Post-Listing Minimum Public Ownership Requirement

A covered company shall, at all times, maintain a public ownership percentage equal to or greater than the prescribed minimum corresponding to its market capitalization at the time of listing, as follows:

Expected Market Capitalization at the Time of Listing	Minimum Initial Public Ownership
Not exceeding PhP50 Billion	20%
Over PhP50 Billion	15%

A company falling below its prescribed minimum maintaining public ownership at any time after registration shall bring the public float to the required level within a maximum period of six (6) months from the date of such fall.

A covered company shall submit to the Commission a Public Ownership Report and progress report on the submitted business plan within fifteen (15) days after the end of each month until such time that its public float reaches the required level.

Companies who made their IPOs before the effectivity of these Rules shall be subject to the minimum maintaining public ownership percentage under the minimum public ownership rules in effect at the time of their listing.

Non-compliance with any of the requirements and procedures shall subject a company to the administrative sanctions provided under Section 54 of the SRC, including the initiation of suspension and/or revocation proceedings against its Registration Statements pursuant to the pertinent provisions of the SRC, if warranted.

[Click here for the full text of SEC MC No. 11, Series of 2026](#)

SEC OPINION NO. 26-01 - RE: REAL ESTATE INVESTMENT TRUST ACT OF 2009, REINVESTMENT PLAN

In SEC Opinion 26-01, Filinvest REIT Corp. (FILRT) contends that Filinvest Development Corporation (FDC), which is Filinvest Land Inc.'s (FLI) parent company, cannot be considered a Sponsor/Promoter required to submit a Reinvestment Plan under the Real Estate Investment Trust (REIT) Act.

FILRT argues that its Sponsor is FLI while FDC is merely FLI's parent company. Therefore, since FDC did not directly contribute property or cash into FILRT when it was incorporated, it cannot be considered a Sponsor/Promoter.

Under the REIT Act and its Revised Implementing Rules and Regulations (IRR), a Sponsor/Promoter is defined as "any person who, acting alone or in conjunction with one or more persons, directly or indirectly, contributes cash in establishing (incorporating) a REIT."

The SEC established that direct contribution means that the contribution was given by the Sponsor/Promoter itself, without any intervening entity or medium, into the REIT company. On the other hand, indirect contribution implies that the contribution was given by a party to the REIT company through an intervening entity or medium.

To be considered a Sponsor/Promoter, the direct or indirect contribution must relate to the incorporation of the REIT or conversion of an existing company into an REIT, and the registration of the shares of stock with the Commission and listing of the same with the Exchange.

In view of the foregoing, the SEC opined that the parent company of a Sponsor/Promoter, existing as such during any phases of the establishment or incorporation of an REIT, is an indirect contributor; hence a Sponsor/Promoter of the REIT.

Thus, the SEC declared that the answer to FILRT's inquiry depends upon when FDC became the parent company of FLI. If FDC was FLI's parent company during the establishment or incorporation of FILRT, then it is considered a Sponsor/Promoter. Otherwise, FDC would not be considered Sponsor/Promoter under the REIT Act and its Revised IRR.

[Click here for the full text of SEC Opinion No. 26-01](#)

SEC OPINION NO. 26-03 - RE: COMPOSITION OF THE BOARD OF DIRECTORS, QUALIFICATION OF FOREIGN REPRESENTATIVES, AND BENEFICIAL OWNERSHIP DISCLOSURE

In SEC Opinion No. 26-03, the SEC addresses a request by Guangxi Construction Philippines, Inc. (Guangxi) for an opinion on issues relating to Board composition, foreign representatives, and beneficial ownership disclosure. In particular, the opinion clarifies how corporations should interpret and apply the revised beneficial ownership rules under SEC MC No. 15, Series of 2025 and the use of the Hierarchical and Applicable Relations and Beneficial Ownership Registry (HARBOR).

The SEC reiterated that beneficial owners refer to natural persons who fall under any of the categories enumerated in the 2025 Circular – essentially, those who ultimately own or exercise effective control over a corporation, whether directly or indirectly, through share ownership or other means such as effective control over the corporation’s management or policies.

The SEC further explained that, under the revised framework, beneficial ownership information is now maintained through HARBOR, a centralized web-based registry designed for such disclosures. Simultaneous with the launch of the platform, the SEC also released a new template for the General Information Sheet (GIS), removing the page for beneficial ownership. Now, all corporations are required to submit beneficial ownership data through HARBOR. Notably, there will be no need to resubmit beneficial ownership data on an annual basis. Instead, filers will only revalidate previously submitted information. The information need only be updated when there are changes, such as the addition of new beneficial owners.

On the question of whether nominee shareholding and beneficial ownership should have been disclosed at the time of Guangxi’s incorporation, the SEC answers in the affirmative, presuming that such data were already existing at the time. This initial disclosure would have been required on the Electronic Simplified Processing of Application for Registration of Company (eSPARC), the online facility for the registration of corporations. However, if the nominee arrangement and beneficial ownership arose after incorporation, then Guangxi may either a) file the disclosure via HARBOR even before the filing of its GIS; or b) file the same via HARBOR together with the next GIS filing

[Click here for the full text of SEC Opinion No. 26-03](#)

TAXATION

REVENUE REGULATIONS (RR) NO. 01-2026 - AMENDING SECTIONS 3, 4, AND 7 OF RR NO. 9-2025

The Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 01-2026 to amend Sections 3, 4, and 7 of RR No. 9-2025 and clarify the manner of filing and payment of Value-Added Tax (VAT) on local sales, provide optional VAT registration for certain Registered Business Enterprise (RBEs), exclude certain enterprises and business activities from the coverage of VAT on local sales of RBEs under Section 295(D) of the Tax Code, as amended by Section 18 of Republic Act (RA) No. 12066, and extend the deadline for compliance with invoicing system reconfiguration.

Section 3(A)(3)(a) of RR No. 09-2025 was amended to include cases where the shipment of the goods purchased in the ecozone or freeport is in bulk (e.g. delivered through a single container truck) and is covered by several invoices, in which case, the buyer may opt to pay the VAT due thereon in a single payment. The BIR Form No. 0605 covering the payment of all the invoices, together with the list of all the invoices covered, shall be presented to the Bureau of Customs prior to its release.

Section 4 of RR No. 09-2025 was amended to add exclusions from the coverage of VAT on local sales under Section 295(D) of the Tax Code, as amended, which are as follows:

1. Sale of the following goods/services:
 - a. VAT zero-rated goods under Section 106(A)(2);
 - b. VAT zero-rated services under Section 108(B);
 - c. VAT-exempt transactions under Section 109; and
 - d. VAT-exempt or zero-rated transactions under Title XIII of the Tax Code.
2. Entities that have registered with the Board of Investments by virtue of a special law and are not availing of incentives under Title XIII of the Tax Code, as amended.
3. Local sales made by RBEs that pertain to business activities not registered with any of the IPAs. including the sales of scraps (e.g., materials, machineries, and property, plant and equipment). shall be subject to the regular VAT at 12%. The RBE-seller shall file and pay the corresponding VAT to the BIR as a regular VAT taxpayer.

Lastly, the effectivity of Section 7 under RR No. 09-2025, which requires certain RBE's to reconfigure or rename their registered invoicing system by replacing the term "VAT/VAT Amount" in the breakdown of sales with "VAT on Local Sales" or adding the same where "VAT/VAT Amount is not applicable", has been extended until **31 December 2026**.

[Click here for the full text of RR No. 1-2026](#)

Related Issuance: [RR No. 9-2025 \(Implementing Pertinent Provision of Section 295\(D\) of the Tax Code \(as amended\)\)](#)



TAXATION

REVENUE MEMORANDUM CIRCULAR (RMC) NO. 10-2026 - CLARIFYING THE TAX TREATMENT, DOCUMENTATION REQUIREMENTS, AND FILING OF RETURN AND PAYMENT OF DONOR'S TAX FOR DONATIONS CONSISTING PURELY OF CASH

Revenue Memorandum Circular (RMC) No. 10-2026 clarifies the tax treatment, documentation requirements, and filing procedures for donor's tax on donations consisting purely of cash. The RMC applies to donations consisting exclusively of cash, whether made to natural or juridical persons, including organizations, foundations, and other entities. The rules apply to donations made within the same calendar year.

Filing and Payment of Donor's Tax

The BIR clarifies that the Donor's Tax Return (BIR Form No. 1800) for purely cash donations must be filed electronically through any of the BIR's available electronic platforms, including:

- The eBIRForms Facility;
- The Electronic Filing and Payment System (eFPS); or
- Authorized tax return filing applications of Authorized Taxpayer Service Providers (ATSPs).

The corresponding donor's tax liability, if any, may be paid either manually through Authorized Agent Banks (AABs) or electronically through the BIR's available ePayment channels.

Documentary Requirements

Donors must submit the following documentary requirements to the Revenue District Office (RDO) where the donor is registered within thirty (30) days from the date the donation is made or completed:

- Notarized Deed of Donation;
- Proof of cash transfer, such as official receipts, acknowledgment letters, validated deposit slips, or fund transfer confirmations;
- Proof of filing of the Donor's Tax Return (BIR Form No. 1800);
- Proof of payment of donor's tax, if applicable;
- Certificate of Donation, where the donee is tax-exempt;
- Valid government-issued identification of the donor and donee (for individuals), or Secretary's Certificate/Board Resolution (for non-individual taxpayers); and
- Taxpayer Identification Numbers (TINs) of both donor and donee.

For donations made to accredited donee institutions under Section 34(H) of the Tax Code, these documents will also serve as supporting evidence for claims of deductible donations from gross income, together with the Philippine Council for NGO Certification (PCNC) accreditation issued by the BIR.

No eCAR Requirement for Cash Donations - The Circular further clarifies that an Electronic Certificate Authorizing Registration (eCAR) is not required for donations consisting purely of cash, since cash is not a registrable property that requires transfer of title through any government registry.

 [Click here for the full text of RMC No. 10-2026](#)

BANKING

BANGKO SENTRAL NG PILIPINAS (BSP) CIRCULAR NO. 1230, SERIES OF 2026 - RISK-BASED RECALIBRATION OF ENHANCED DUE DILIGENCE (EDD) THRESHOLD FOR LARGE VALUE CASH TRANSACTIONS

The Bangko Sentral ng Pilipinas (BSP) issued Circular No. 1230, Series of 2026, which amends Section 923 of the Manual of Regulations for Banks (MORB) and Section 923-Q of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI). The amendment recalibrates the Enhanced Due Diligence (EDD) trigger threshold for large value cash payouts in order to strengthen safeguards against risks related to money laundering (ML), terrorism financing (TF), and proliferation financing (PF).

Under the amendment, the EDD trigger threshold has been increased for cash payout carried out in a single transaction or in series of transactions within one (1) banking day from exceeding Php500,000.00 to exceeding Php1,000,000.00. Once the threshold is met, EDD shall be conducted at the customer level and does not need to be performed for each individual transaction, provided that the customer has already undergone the appropriate EDD measures.

A proportionate or risk-based EDD measure may be adopted by BSFIs, where lower cash transaction limits are adopted based on institutional ML, TF, and PF risk assessment and/or customer financial profile. Such measures may be applied according to the customer's assessed risk profile, nature of business, activity or operations, and transaction pattern. In case BSFIs cannot satisfactorily complete EDD procedures or reasonably believe it may tip off the customer, it shall file a Suspicious Transaction Report (STR) and closely monitor the account. In filing an STR, BSFIs shall take into account the alerts, red flags, suspicious indicators, and government-issued typologies involving large or unusual cash transactions.

 [Click here for the full text of BSP Circular No. 1230, Series of 2026](#)

DEPARTMENT CIRCULAR NO. DC2026-02-0006 - POLICY ON ACCOUNTABILITY OF ENTITIES ENGAGED IN POWER GENERATION TO ENSURE SUFFICIENT, RELIABLE, AFFORDABLE, AND SECURE SUPPLY OF ENERGY IN THE COUNTRY

Department Circular No. DC2026-02-0006 or the Power Generator Accountability Policy (Policy), issued by the Department of Energy, aims to strengthen oversight of entities engaged in power generation and ensure a sufficient, reliable, affordable, and secure electricity supply in the country.

The Policy applies broadly to entities owning or operating generation facilities, regardless of size, location, or technology. Covered entities include:

1. Generation Companies (GenCos);
2. New Power Providers (NPPs);
3. Microgrid Service Providers (MGSPs);
4. National Power Corporation – Small Power Utilities Group (NPC-SPUG);
5. Distribution utilities and other entities operating generation facilities; and
6. Other stakeholders involved in power generation operations

Under the Circular, power generators are required to:

1. Operate only with valid permits and certifications, such as a Certificate of Compliance (COC) or Provisional Authority to Operate (PAO);
2. Follow the terms and conditions of their regulatory approvals and contracts;
3. Maintain their facilities according to safety, environmental, and technical standards;
4. Submit accurate operational data and reports to regulators; and
5. Immediately report major incidents or outages that could affect power supply, together with a plan to restore operations.

In order to ensure compliance and accountability of all entities engaging in the power generation business, the DOE may conduct periodic operational and technical assessments of generation facilities and require companies to perform regular self-assessments of their compliance with technical standards. The Policy also requires power generators to maintain proper records and submit reports on maintenance activities, outages, and operational performance, which regulators may review to monitor system reliability.

If a power generator fails to comply with the policy, the DOE may impose enforcement measures such as:

1. Administrative fines or penalties;
2. Suspension or cancellation of permits or licenses;
3. Disqualification from DOE-administered auctions or competitive programs;
4. Corrective directives to address operational issues; and/or
5. Other measures necessary to protect the power system and consumers.

The Circular forms part of the DOE's broader efforts to safeguard energy security and ensure that the country's electricity supply remains stable and dependable for consumers and the economy.

[Click here for the full text of DOE Circular No. DC2026-02-0006](#)

Annexes:

- [Annex A - Parameters of Generator Compliances for On-Grid](#)
- [Annex B - Parameters of Generator Compliances for Off-Grid](#)
- [Annex C - Monthly Accomplishment Report \(MAR\)](#)
- [Annex D - Requirements for Certificate of Endorsement \(COE\) to the Energy Regulatory Commission \(ERC\)](#)
- [Annex E - Process for COE to ERC](#)

INTELLECTUAL PROPERTY

INTELLECTUAL PROPERTY OFFICE OF THE PHILIPPINES (IPOPHL) MC NO. 2026-006 - PHILIPPINE REGULATIONS IMPLEMENTING THE BEIJING TREATY ON AUDIOVISUAL PERFORMANCES (BTAP)

IPOPHL Memorandum Circular No. 2026-006 provides the regulations to implement the Beijing Treaty on Audiovisual Performances (BTAP). The Circular covers unfixed performances and performances first fixed in audiovisual fixations such as:

1. Acting, singing, playing musical instruments, dancing, or any other rendition of existing literary or artistic work; and
2. Improvisation as defined under Section 5.7 of the MC.

The regulations exclude:

1. Performances of “extras”;
2. Performances made by machines or non-humans; and
3. Performances that were fixed in audiovisual recordings before 01 January 1970, or more than fifty (50) years from when the BTAP entered into force.

The protections of the MC shall apply to the following:

1. Nationals of, or have their habitual residence in, the Philippines; and
2. Nationals of, or have their habitual residence in, other Contracting Parties to the BTAP.

The Circular grants performers moral rights for their live performances or performances fixed in audiovisual works or fixations in the form of the following:

1. **Right of Attribution** – the right to be identified or not identified as performers of their performances, except where omission is dictated by the manner of the use of the performance; and
2. **Right of Integrity** – the right to object to distortions, mutilations, or other modifications of their performances that would be prejudicial to their reputation, taking into account the nature of audiovisual fixations.

In addition, performers are granted economic rights for their live performances or performances fixed in audiovisual works or fixations in the form of the following:

1. Economic Rights in Unfixed (Live) Performances

- a. The right to authorize the broadcasting and communication to the public of their unfixed performances except where the performance is already a broadcast performance; and
- b. The right to authorize the fixation of their unfixed performances.

2. Economic Rights in Performances Fixed in Audiovisual Works or Fixation

- a. **Right of Reproduction** – right of authorizing the direct or indirect reproduction of their performances fixed in audiovisual fixations;
- b. **Right of Distribution** – right of authorizing the first public distribution of the original and copies of their performances fixed in audiovisual fixations through sale or other transfer of ownership;
- c. **Right of Rental** – right of authorizing the commercial rental to the public of the original and copies of their performances fixed in audiovisual fixations, even after distribution of them by, or pursuant to, authorization by the performer;
- d. **Making Available Right** – right of authorizing the making available to the public of their performances fixed in audiovisual fixations, by wire or wireless means, in such a way that member of the public may access them from a place and at a time individually chosen by them; and
- e. **Right of Broadcasting Communication to the Public** – right of authorizing the broadcasting and communication to the public of their performances fixed by audiovisual fixations.

Finally, the Circular grants performers Remuneration rights by explicitly recognizing their right to receive equitable remuneration for every communication to the public or broadcast, including the making available, of a performance subsequent to the first communication to the public or broadcast.

The Regulations shall take effect fifteen (15) days after publication or on 21 March 2026.

 [Click here for the full text of IPOPHL MC No. 2026-006](#)

INTELLECTUAL PROPERTY

IPOPHL MC NO. 2026-007 - REVISED RULES AND REGULATIONS ON COPYRIGHT REGISTRATION AND COPYRIGHT RELATED SERVICES

IPOPHL MC No. 2026-007 adopts the Revised Rules and Regulations on Copyright Registration and Copyright-Related Services. The Circular updates the procedures governing copyright registration, recordation of copyright-related transactions, and other copyright services administered by the Bureau of Copyright and Other Related Rights.

A notable change under the Copyright Services Rules is the shift to electronic filing of copyright applications and related services. Applications must now be submitted through the IPOPHL's designated online system, together with the prescribed forms, identification documents of the applicant, and an electronic copy of the work.

Copies of works must comply with the prescribed format requirements, including a maximum file size of 25MB, although applicants may provide a secure cloud storage link when the file exceeds the allowable size.

The Procedure for Copyright Registration under the Revised Rules are as follows:

- 1. Electronic Filing of Application** - The applicant files the copyright registration application through the IPOPHL's designated electronic filing system, together with the prescribed forms, identification documents, and a copy of the work to be registered
- 2. Review** - The IPOPHL reviews the application to determine the completeness of the submitted documents and the consistency of the information provided, including authorship claims.
- 3. Issuance of Statement of Account (eSOA)** - If the requirements are complete, the IPOPHL issues an electronic Statement of Account (eSOA) directing the applicant to pay the prescribed registration fee.
- 4. Payment** - The processing fee must be paid within thirty (30) calendar days from issuance of the eSOA, otherwise the application will not be processed.
- 5. Issuance of Certificate** - Once payment is confirmed and the work is found registrable, the IPOPHL issues an electronic Certificate of Copyright Registration within:
 - a. Seven (7) working days for regular applications;
 - b. Twenty (20) working days for highly technical applications; and
 - c. Up to forty-five (45) working days for bulk applications.

The rules also enumerate specific grounds upon which the IPOPHL may refuse copyright registration. These include circumstances where the work lacks human authorship, is not original, falls within the public domain, constitutes a traditional cultural expression, or is already covered by a prior copyright registration. Instead of outright denial, the IPOPHL will issue a Copyright Registrability Report, which explains the reasons for refusal and allows the applicant to seek review before the Bureau Director and, if necessary, appeal to the Director General.

This Circular will take effect fifteen (15) days from its publication or on 12 March 2026.

 [Click here for the full text of IPOPHL MC No. 2026-007](#)

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