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SUPREME COURT

G.R. NO. 241893 - ELEAZAR R. ROBISO VS. HON. MARIE GRACE JAVIER IBAY, PRESIDING JUDGE OF THE REGIONAL TRIAL COURT (BRANCH 194) OF PARAÑAQUE CITY

In *Robiso v. Ibay*, the Supreme Court ruled that a certification declaring a child legally available for adoption is required even when the child is voluntarily surrendered to a private individual.

Eleazar Robiso filed a petition to adopt a minor child whose biological mother, an unmarried woman, had entrusted the child to him and his family and executed an affidavit relinquishing parental authority in his favor. Despite the mother's consent, the Regional Trial Court (RTC) dismissed the petition for failure to attach a certification from the Department of Social Welfare and Development (DSWD) declaring the child legally available for adoption, as required under Republic Act (RA) No. 9523. Robiso argued that the certification was unnecessary because the child was neither abandoned, neglected, nor voluntarily committed to the DSWD or a child-caring agency. He maintained that the child was simply entrusted to him by the mother.

The Supreme Court rejected this argument and affirmed the dismissal of the petition. The Court explained that under RA No. 9523 and its implementing rules and regulations (IRR), a certification declaring a child legally available for adoption is generally required in cases involving abandoned, neglected, dependent, or surrendered children. While the law does not explicitly define a "surrendered child," it must be read together with related laws, particularly the Child and Youth Welfare Code (Presidential Decree No. 603).

Under these laws, a child may be considered voluntarily committed even if custody is given directly to an individual, not just to the DSWD or an accredited institution. Thus, when a parent knowingly and willingly relinquishes parental authority and entrusts the child to another, the child is deemed voluntarily committed for purposes of adoption.

As such, the prospective adopter must first secure the required DSWD certification before filing a petition for adoption. The absence of this certification renders the petition insufficient and subject to dismissal at the outset.

Under Section 4 of the IRR of RA No. 9523, the only recognized exceptions to the DSWD certification requirement are in situations where there is an existing relationship between the adoptee and the adopter:

1. adoption of an illegitimate child by any of his/her biological parent;
2. adoption of a child by his/her step-parent; and
3. adoption of a child by a relative within the fourth degree of consanguinity or affinity.

The Court further clarified that the trial court may dismiss an adoption petition even before publication and hearing if the petition fails to comply with the required documents. Accordingly, the Supreme Court denied the petition and affirmed the rulings of the lower courts, without prejudice to the filing of an appropriate petition under the proper procedure.

[Click here for the full text of *Robiso v. Ibay*](#)

STATUTE

REPUBLIC ACT NO. 12316 - AN ACT AUTHORIZING THE PRESIDENT TO SUSPEND OR REDUCE EXCISE TAX ON PETROLEUM PRODUCTS, AMENDING FOR THE PURPOSE SECTION 148 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED

Republic Act (RA) No. 12316 grants the President the power to suspend the imposition of or reduce the excise taxes on petroleum products, when the average Dubai crude oil price based on Mean of Platts Singapore (MOPS) reaches or exceeds eighty US dollars (USD 80) per barrel for one (1) month immediately preceding the issuance of the suspension or reduction order. This power may be exercised by the President until 31 December 2028, and subject to the recommendation of the Department Budget Coordination Committee (DBCC).

Suspensions or reductions shall be effective for a period not exceeding three (3) months:

- *Provided*, that the aggregate period of the suspension or reduction shall not exceed one (1) calendar year;
- *Provided further*, that the excise tax on fuel products shall revert automatically to the rates provided under Section 148 of the National Internal Revenue Code (NIRC) without need for further legislative or executive action, upon occurrence of any of the following conditions, whichever comes first:
 - One (1) week after the one (1)-month average of the Dubai crude oil price based on MOPS falls below USD 80 per barrel, as duly certified by the Department of Energy (DOE); or
 - After three (3) months.

[Click here for the full text of RA No. 12316](#)

SECURITIES AND EXCHANGE COMMISSION (SEC) MC NO. 13, S. OF 2026 - FURTHER SUPPORTING THE GROWTH AND EXPANSION OF MICRO, SMALL, AND MEDIUM-ENTERPRISES (MSMES) BY EXTENDING DISCOUNTED RATES FOR CERTAIN FILING FEES

The Securities and Exchange Commission (SEC) has further extended the discounted rates for certain filing fees for Micro, Small, and Medium Enterprises (MSMEs), as follows:

Particulars	Discount	Discount Period
Registration of Corporation	20% of the assessed fee	Effectivity of this Circular to 31 March 2026
Registration of Securities (including, among others, securities being registered by qualified power generation companies and distribution utility companies pursuant to SEC MC No. 4, s. 2024, real estate developers and/or managers in relation to rental pool agreements pursuant to SEC MC No. 12, s. 2024, agri-business corporations pursuant to SEC MC No. 8, s. 2023, and hospitals pursuant to SEC MC No. 11, s. 2017)	50% of the assessed fee	Until 30 June 2026

[Click here for the full text of SEC MC No. 13, s. of 2026](#)

SEC OPINION NO. 26-04 RE: TREATMENT OF DORMANT OR INACTIVE STOCKHOLDERS

In SEC-OGC Opinion No. 26-04, the SEC clarified that corporations have the fiduciary duty to locate stockholders of record who are known but dormant or inactive, and must continue to act as their fiduciary trustees while exerting and exhausting all available means to locate them. Should the search prove to be futile, it is still the fiduciary duty of the corporation to continuously hold the shares in trust for the owners thereof, unless otherwise escheated in accordance with law.

Further, the SEC maintains that the rights of dormant or inactive stockholders must still be upheld. Thus, in determining the denominator of a quorum, even dormant or inactive stockholders are included as only treasury shares are excluded from the computation. Similarly, their right to vote is absolute and protected, prohibiting corporations from unilaterally voting these shares or bypassing the owner's rights through unauthorized representation or "deemed" proxies.

Naturally, dormant stockholders' right to dividends is also protected, which means a mere lapse of time after failure of the stockholder to appear and claim the dividend thereon will not raise a presumption of personal ownership in favor of the corporation. The corporation remains the nominal owner and trustee, holding the dividends for the benefit of the true owner.

Finally, the SEC affirmed that the accounting treatment of shares held by unlocatable stockholders shall not affect share or equity capital of the corporation, they still being part of the outstanding capital stock.

[Click here for the full text of SEC Opinion No. 26-04](#)

SEC OPINION NO. 26-05 RE: ALLOWABLE ACTIVITIES OF A REPRESENTATIVE OFFICE

In SEC-OGC Opinion No. 26-05, the SEC clarified that a representative office is strictly limited to non-income generating activities and may not engage in acts that effectively constitute business operations. The Opinion arose from a query involving a representative office established in the Philippines to act as a liaison and to promote the business of its foreign head office. The representative office sought guidance on whether its involvement in certain operational arrangements such as coordinating services, engaging contractors, and implementing agreements on behalf of its principal, falls within its allowable activities.

The SEC answered in the negative and reiterated that under the Foreign Investments Act (FIA) and its implementing rules, a representative office is fully subsidized by its head office, deals directly with the latter's clients, and performs limited activities such as **information dissemination, promotion of products, and quality control**, without deriving income in the Philippines.

Applying these principles, the SEC emphasized that the allowable acts of a representative office must be similar in nature to these passive activities and must not involve the exercise of independent business judgment or participation in commercial transactions. Here, the SEC found that the representative office's participation in hiring and supervising contractors, coordinating service delivery, implementing agreements, and facilitating payments are indicia of active involvement in the business operations of the foreign company. These acts go beyond mere liaison or promotional functions and are considered operational and income related. The SEC further explained that even indirect participation in contractual arrangements or execution of services may already constitute engagement in business, which is not allowed for representative offices. It stressed that a representative office cannot act as an agent or proxy in carrying out commercial transactions on behalf of its head office.

Accordingly, the SEC concluded that the activities described are not permissible, as they exceed the limited scope of authority granted to a representative office and are inconsistent with its non-income generating nature.

[Click here for the full text of SEC Opinion No. 26-05](#)

SEC OPINION NO. 26-07 RE: NATIONALITY RESTRICTIONS FOR PURELY PRIVATE CONSTRUCTION COMPANIES

SEC Opinion No. 26-07 addressed an inquiry regarding the applicability of the Supreme Court ruling in *Philippine Contractors Accreditation Board (PCAB) v. Manila Water* on the nationality requirement for construction companies.

The requesting party represents that Bauer Foundations Philippines, Inc. is a duly registered domestic corporation with sufficient paid-up capital, currently compliant with the 60-40 Filipino-foreign ownership requirement under its PCAB license. It argues that the Supreme Court invalidated PCAB's nationality requirement, and thus asks the SEC to confirm that foreign investors may now own up to 100% equity in a domestic construction company, including allowing the foreign shareholder to acquire the remaining Filipino shares.

SEC explains that, as a general rule under the Constitution and the Foreign Investments Act (FIA), foreign ownership in domestic market enterprises may reach up to 100%, unless specifically restricted by law, the Constitution, or the Foreign Investment Negative List (FINL). The FINL serves as the primary mechanism for imposing such restrictions. While earlier versions of the FINL imposed a 40% foreign equity cap on private construction contracts, this restriction was removed starting from the Third FINL and remains absent in the current (12th) FINL, reflecting a policy trend toward liberalization.

The opinion emphasizes that Republic Act (RA) No. 4566, which established the now PCAB, does not itself impose any nationality requirement on construction companies, and that administrative agencies like the PCAB cannot validly introduce such restrictions through implementing rules. This was affirmed by the Supreme Court in *PCAB v. Manila Water*, which struck down the nationality requirement in PCAB's rules for lacking statutory basis. Thus, in the absence of a law imposing such limitation, foreign ownership in construction companies engaged in purely private projects is not restricted.

However, the SEC clarifies that certain areas in the construction industry remain subject to nationality restrictions. These include construction of defense-related infrastructure (capped at 25% foreign equity) and participation in public infrastructure procurement, which generally requires at least 60% Filipino ownership under procurement laws. Accordingly, while a construction company may be 100% foreign-owned if engaged solely in private construction, it must comply with nationality requirements when undertaking restricted activities.

[Click here for the full text of SEC Opinion No. 26-07](#)

SEC NOTICE ON THE EARLY CONDUCT OF ANNUAL STOCKHOLDERS' MEETINGS (ASMS)

The SEC Markets and Securities Regulation Department (MSRD) issued guidelines for Publicly-Listed Companies (PLCs) and other companies with registered securities under the supervision of MSRD (collectively, "Covered Companies") for the early conduct of their Annual Stockholders' Meeting (ASM), in lieu of the prior requirement to obtain SEC approval:

- A. Covered Companies intending to conduct an ASM on a date earlier than the date specified in their by-laws must ensure that the early conduct is supported by a justifiable reason and approved by the Board of Directors, as evidenced by the Secretary's Certificate, which shall be submitted together with the written notice to the SEC.
- B. The company shall submit a written notice to the SEC, stating the justifiable reason for the early conduct, through MSRD at msrd_srd@sec.gov.ph, at least thirty-two (32) business days prior to the scheduled date of the ASM.
- C. The early conduct of the ASM and the corresponding justifiable reason shall be disclosed through the filing of SEC Form 17-C (Current Report).
 - SEC Form 17-C shall be made publicly available on the company's website and additionally, for PLCs, on the PSE EDGE.
- D. The following conditions shall also be observed:
 1. The rights of stockholders shall not be impaired;
 2. The company shall adopt measures to encourage the attendance of minority stockholders in the ASM; and
 3. The company must comply with the prescribed periods for the filing of the Preliminary Information Statement (PIS), Definitive Information Statement (DIS), and the distribution of information statements under the Securities Regulation Code (SRC) and its Implementing Rules and Regulations (IRR).

This Notice is issued without prejudice to compliance with the the Revised Corporation Code (RCC), the SRC and its IRR, the company's Articles of Incorporation and By-Laws, and the rules and disclosure of the Philippine Stock Exchange (PSE), where applicable.

[Click here for the full text of SEC Notice on the Early Conduct of ASMs](#)

SEC NOTICE ON SUBMISSION OF SECONDARY REPORTS THROUGH EFAST

SEC issued a notice that the following reportorial requirements under the MSRDR's jurisdiction shall be submitted in PDF format, through the Electronic Filing and Submission Tool (eFAST), effective 16 March 2026:

Filer	Document	Deadline
REIT FUND MANAGERS	3YRS - REIT - Three (3)-year investment strategy with Covering Letter	On or before December 31 of every year
	QWR - REIT Quarterly Written Report - performance of the REIT's funds and properties, and of the appropriate benchmarks (with Covering Letter)	Within forty-five (45) days after the end of each quarter
	SEC Form REIT FM-IA - Amendment/Changes in the Information contained in SEC Form REIT FM-IA	Within seven (7) days from such change
	SEC Form REIT FM-CO - Amendment/Changes in the Information contained in SEC Form REIT FM-CO	Within seven (7) days from such change
GOVERNMENT SECURITIES ELIGIBLE DEALERS	Capital Adequacy Report (CAR)	Not later than three (3) business days after being filed with the BSP (with attached proof of submission to the BSP)
BROKER DEALERS	BCP/DRP - Business Continuity and Disaster Recovery Plan	As needed

The email submission of the reports through ictdsubmission@sec.gov.ph and msrds submission@sec.gov.ph or any other SEC email addresses will no longer be accepted from the prescribed effectivity date and will be deemed as not filed. The reckoning date of receipt of reports is the date the report was initially submitted to eFAST, assuming the filed report is compliant with the requirements. A report which was reverted or rejected is considered not filed or not received.

[Click here for the full text of SEC Notice on Secondary Reports through eFAST](#)

SEC NOTICE ON ALTERNATIVE MODE FOR DISTRIBUTING AND PROVIDING COPIES OF THE NOTICE OF MEETING, INFORMATION STATEMENT, AND OTHER DOCUMENTS IN CONNECTION WITH THE HOLDING OF ANNUAL STOCKHOLDERS' MEETING (ASM) AND SPECIAL STOCKHOLDERS' MEETING (SSM)

The SEC MSRDR issued the guidelines to provide Publicly Listed Companies (PLCs) and other companies with registered securities (collectively, "Covered Companies"), under the supervision of MSRDR, an alternative mode of complying with the existing requirements in the conduct of their Annual Stockholders' Meeting (ASM) and Special Stockholders' Meeting (SSM):

- A. Covered Companies may notify their stockholders by causing the publication of the Notice of Meeting in the business section of two (2) newspaper of general circulation, in print and online format, for two (2) consecutive days;
 - *Provided*, that the last publication of the Notice of Meeting (print and online) shall be made no later than twenty-one (21) days prior to the scheduled meeting.
- B. The Notice of Meeting shall inform the shareholders of the following:
 1. Date, time, and place of meeting, and other information as may be required under the Revised Corporation Code (RCC), other issuances of the SEC, or by-laws:
 - Should the Company hold their ASM or SSM through teleconferencing, video conferencing and other remote or electronic means of communication, SEC Memorandum Circular (MC) No. 06, Series of 2020 will apply.
 2. The availability of an electronic copy of the Information Statement, Management Report, SEC Form 17A, and other pertinent documents, as may be necessary:
 - On the Company's website; and
 - For PLCs, on the PSE Edge.

Compliance by the Covered Companies with the foregoing shall be considered fulfillment of the requirements on the distribution and provision of the required documents under the RCC, the SRC and its IRR, and other applicable SEC issuances.

[Click here for the full text of SEC Notice on Alternative Modes for Distribution and Provision of Documents for ASM and SSM](#)

LOCAL GOVERNMENT

DILG-DOF-DTI JMC NO. 01, S. 2026 - GUIDELINES ON THE IMPOSITION OF LOCAL TAXES, FEES, AND CHARGES ON REGISTERED BUSINESS ENTERPRISES (RBES) AVAILING OF TAX INCENTIVES UNDER SECTIONS 294, 295, 296, 296-A, AND 311 OF THE NATIONAL INTERNAL REVENUE CODE (NIRC) OF 1997, AS AMENDED, AND SECTION 31 OF REPUBLIC ACT (RA) NO. 12066

Joint Memorandum Circular (JMC) No. 01, s. 2026 provides guidelines on the imposition of local taxes, fees, and charges on registered business enterprises (RBEs) availing of tax incentives under the National Internal Revenue Code, as amended (NIRC) and the Corporate Recovery and Tax Incentives for Enterprises Act, as amended (CREATE Act).

Under the NIRC, RBEs may avail of an Income Tax Holiday (ITH), a Special Corporate Income Tax Rate (SCIT), and/or an Enhanced Deductions Regime (EDR) on registered projects or activities. At the same time, the NIRC allows local government units (LGUs) to impose a Registered Business Enterprise Local Tax (RBELT) at a rate not exceeding two percent (2%) of an RBE's gross income, which may be imposed during an ITH and/or EDR, in lieu of all local taxes, fees, and charges. Where multiple LGUs cover the same RBE, the 2% ceiling also applies to the total RBELT imposed on the RBE.

The Circular provides rules with respect to the imposition of local taxes, fees, and charges on RBEs, summarized as follows:

- **Transitioning pre-CREATE RBEs** - RBEs whose incentives were granted prior to the effectivity of the CREATE Act - remain entitled to such incentives expressly granted under law or by the relevant investment promotion agency (IPA). Pre-CREATE RBEs availing of ITH only may elect either exemption from local business taxes under Section 133(g) of the Local Government Code (LGC), or the LGU-imposed RBELT, if any. Unless an RBE expressly signifies otherwise, it shall be deemed to have elected the RBELT. The election is irrevocable for the entire taxable year for which it is made.
- **CREATE RBEs** - RBEs whose incentives were granted during the effectivity of the CREATE Act - enjoying ITH or EDR are similarly entitled to elect either the LGC tax exemption or the RBELT.
- In all cases, no RBELT may be imposed on RBEs while they are availing of the five percent (5%) SCIT.
- RBEs operating inside the Philippine Veterans Investment Development Corporation (PHIVIDEC) Industrial Authority areas remain exempt from local taxes, except real property tax, which shall be collected by the PHIVIDEC Industrial Authority. Registered projects or activities of RBEs within the PHIVIDEC Industrial Authority areas are also excluded from RBELT.
- The exemption from local taxes, fees, and charges under the NIRC and LGC apply only to the extent of the registered project or activity of the RBE. Non-registered projects or activities are subject to applicable taxes, fees, and charges.

[Click here for the full text of DILG-DOF-DTI JMC No. 01, s. 2026](#)

LABOR & EMPLOYMENT

PHILHEALTH CIRCULAR NO. 2026-0003 - ISSUANCE OF THE CERTIFICATE OF GOOD PAYMENT STANDING (CGPS)

PhilHealth Circular No. 2026-0003 outlines the procedure for the issuance of a Certificate of Good Payment Standing (CGPS) by PhilHealth. Employers must submit a duly accomplished request form either in person at the nearest Local Health Insurance Office or digitally through the designated PhilHealth Accounts Information Management Specialist (PAIMS).

If filed through a representative, proper authorization and identification documents are required. Only complete submissions will be processed. The request is then validated by the PAIMS to ensure accuracy and completeness of the employer's premium payments and reports before approval by the LHIO Head or authorized representative.

The CGPS is issued on a per PhilHealth Employer Number (PEN) basis and is considered valid only when affixed with an official dry seal. Processing and approval must be completed within five (5) working days from receipt of the request. Employers with unpaid contributions or unposted reports are required to settle deficiencies prior to issuance. Otherwise, they will be notified through a formal Letter of Payment Discrepancies.

Violations of the Circular are subject to penalties under applicable laws, including Republic Act (RA) No. 7875, as amended by RA No. 9241 and RA No. 10606 (National Health Insurance Act), Republic Act No. 11223 (Universal Health Care Act), and their respective Implementing Rules and Regulations, including the PhilHealth Rules on Administrative Cases (PROAC).

[Click here for the full text of PhilHealth Circular No. 2026-0003](#)

REVENUE REGULATIONS (RR) NO. 02-2026 - GUIDELINES IN THE AVAILMENT OF THE FISCAL INCENTIVES UNDER SECTION 38 OF REPUBLIC ACT NO. 12120, OTHERWISE KNOWN AS THE “PHILIPPINE NATURAL GAS INDUSTRY DEVELOPMENT ACT”

On 05 March 2026, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 02-2026 to implement the fiscal incentives framework under the Republic Act (RA) No. 12120, or the Philippine Natural Gas Industry Development Act. The Regulations aim to promote natural gas as a safe, efficient, and cost-effective energy source by providing clearer rules on the tax treatment of industry participants.

A key feature of the issuance is the grant of Value-Added Tax (VAT) exemption on the purchase and sale of indigenous natural gas, as well as “aggregated gas”, i.e. a mix of indigenous and imported Liquefied Natural Gas (LNG), to the extent attributable to indigenous content. The exemption likewise covers electricity and ancillary services generated by facilities using such gas. Covered transactions include those undertaken by suppliers, aggregators, resellers, generation companies, and even end-users within the Philippine downstream natural gas industry.

To avail of the VAT exemption, taxpayers must comply with specific substantiation requirements. These include securing endorsements and certifications from relevant offices of the Department of Energy (DOE), such as confirmation that the seller is engaged in the sale of indigenous natural gas and that the generation facility uses such fuel. These documents must be attached to the quarterly VAT return, expressly citing RA No. 12120 as the legal basis for the exemption.

In addition to VAT relief, the RR recognizes the availability of income tax and other fiscal incentives under Title XIII of the Tax Code (CREATE regime), provided that the relevant facilities are certified by the DOE, included in the Strategic Investment Priority Plan (SIPP) and duly registered with the Board of Investments (BOI). The issuance also emphasizes that double availment of incentives is prohibited, meaning taxpayers cannot simultaneously claim similar tax benefits under RA No. 12120 and other laws, unless expressly allowed.

[Click here for the full text of RR No. 02-2026](#)

REVENUE MEMORANDUM CIRCULAR (RMC) NO. 14-2026 - CLARIFYING RMC NO. 08-2026 ON THE LIFTING OF THE SUSPENSION OF TAX AUDIT AND FIELD OPERATIONS, REVENUE MEMORANDUM ORDER (RMO) NO. 01-2026 AND RMO NO. 06-2026 ON THE IMPLEMENTATION OF REVISED AUDIT POLICIES, PROCEDURES, AND SAFEGUARDS

On 04 March 2026, the BIR issued Revenue Memorandum Circular (RMC) No. 14-2026 which clarifies key provisions of earlier issuances on the lifting of the suspension of tax audits and the implementation of revised audit procedures under Revenue Memorandum Order (RMO) Nos. 01-2026 and 06-2026.

The Circular emphasizes that a Replacement electronic Letter of Authority (eLA) issued due to reassignment of revenue officers is merely an administrative adjustment and does not constitute a new audit authority, provided that the taxpayer, taxable period, and scope remain unchanged. Existing LOAs/eLAs issued prior to the new rules remain valid.

It also reinforces limits on audit scope: Tax Verification Notices (TVNs) cannot be expanded, and any additional audit coverage or new taxable periods requires a separate eLA subject to system-assisted selection and approval. Challenges to the validity of a Replacement eLA do not suspend audit proceedings.

A central feature is the Single-Instance Audit Framework, which mandates the consolidation of multiple audits covering the same taxpayer and taxable period into a single eLA. The Circular outlines key deadlines for consolidation (March to May 2026) and provides transition rules, including treatment of previously assessed and paid liabilities, which are considered closed.

Finally, prior audit actions (e.g., subpoenas, notices, waivers) remain valid despite replacement or consolidation of eLAs, and VAT audit units are required to transition or transfer cases in line with the new framework.

[Click here for the full text of RMC No. 14-2026](#)

Related Issuances:

- [RMC No. 08-2026 - Resumption of All Tax Audit and Field Operations of the BIR that were Suspended Under RMC No. 107-2025](#)
- [RMO No. 01-2026 - Prescribing Revised Policies, Controls, and Procedures for Tax Audit and Assessment Following the Lifting of the Suspension Imposed Under RMC No. 107-2025](#)
- [RMO No. 06-2026 - Amendments and Supplemental Guidelines Governing the Implementation of RMO No. 01-2026](#)

RMC NO. 24-2026 - CLARIFYING THE APPLICATION OF RMC NOS. 05-2024 AND 38-2024 ON THE TAX TREATMENT OF CROSS-BORDER SERVICES

RMC No. 24-2026 was issued by the BIR to clarify the proper application of RMC Nos. 05-2024 and 38-2024, and of the Supreme Court Decision in *Aces Philippines Cellular Satellite Corporation v. Commissioner of Internal Revenue (Aces Philippines case)*, all of which govern the tax treatment of cross-border services.

The Circular clarifies that cross-border services are not automatically subject to Philippine income tax by reason of their classification as such. The general rule on the situs of service income remains to be that income is taxed where the service is performed. The *Aces Philippines* case expands this rule by including the place where the benefit is received or where the service is completed.

The Circular outlines the factual considerations necessary to establish Philippine-sourced income, which may be summarized into the following essential elements:

- The parties involved are:
 - a payor who is a Philippine resident individual or domestic corporation doing business; and
 - a payee who is a non-resident service provider; and
- The specific activity or service:
 - is integral to the completion or delivery of the non-resident service provider's service; and
 - resulted in actual payment or accrual thereof, constituting economic benefit to the non-resident service provider;
- The situs of the income-producing activity is within the Philippines; and
- There is no applicable income tax exemption under tax treaties or domestic law.

On the evidentiary aspect, the Circular reiterates that the burden of proof rests on the taxpayer to establish that income payments to non-residents are sourced outside the Philippines. Taxpayers are thus expected to present relevant documentation during audit, and in line with RMO No. 01-2026, may submit certified true copies of documents, with foreign-issued documents required to be authenticated or apostilled. The BIR may, however, require the presentation of original documents for verification within the scope of the audit.

Finally, the Circular clarifies that obtaining a prior confirmatory ruling from the BIR is not a condition precedent to the application of the appropriate tax treatment. The absence of such a ruling does not prejudice the taxpayer, provided that the legal and factual bases are sufficiently established through competent evidence, although taxpayers may still seek a ruling under existing procedures.

Related Issuances:

- [GR. No. 226680 - Aces Philippines Cellular Satellite Corp. v. Commissioner of Internal Revenue \(CIR\) - 30 August 2022](#)
- [RMC No. 05-2024 - Further clarifying the proper tax treatment of cross-border services in light of the Supreme Court En Banc Decision in Aces Philippines Cellular Satellite Corp. v. CIR](#)
- [RMC No. 38-2024 - Clarifying the issues raised on RMC No. 05-2024](#)

[Click here for the full text of RMC No. 24-2026](#)

REVENUE MEMORANDUM ORDER (RMO) NO. 06-2026 - AMENDMENTS AND SUPPLEMENTAL GUIDELINES GOVERNING THE IMPLEMENTATION OF RMO NO. 01-2026

Revenue Memorandum Order (RMO) No. 06-2026 was issued by the BIR to prescribe amendments, supplemental procedures, and clarificatory guidelines on RMO No. 01-2026.

AMENDMENTS

The following dates in RMO No. 01-2026 are amended as follows:

Document	Previous Date	New Date
Deadline for filing Written Requests for Non-Consolidation of VAT Audit	16 February 2026	13 March 2026
Automatic consolidation of all pending eLAs except where a Written Request for Non-Consolidation is duly filed	04 March 2026	20 March 2026
Last day of audit operations for VAT Audit Sections (VATAS) and Large Taxpayers VAT Audit Unit (LTV AU)	30 April 2026	15 May 2026
Automatic consolidation of all pending eLAs which were previously allowed to proceed separately pursuant to a Request for Non-Consolidation	04 May 2026	18 May 2026
Last day of VATAS and LTV AU for purposes of winding up its operations	15 May 2026	29 May 2026

(Continued on the next page)

TAXATION

(RMO No. 06-2026 - Amendments and Supplemental Guidelines Governing the Implementation of RMO No. 01-2026 - continued)

RULES ON CONSOLIDATION OF ASSESSMENT

ABSOLUTE PROHIBITIONS

1. **No Consolidation at Final Decision on Disputed Assessment (FDDA) Stage** - Cases that have reached the FDDA stage must proceed independently.
2. **No Consolidation of Final and Executory Final Assessment Notice (FAN)** - No consolidation shall be allowed if a FAN has already become final, executory, and demandable. Once finality attaches, the assessment shall no longer be disturbed.
3. **No Consolidation of Cases Involving FAN Stage and Cases at Stages Prior to Issuance of Preliminary Assessment Notice (PAN)** - Cases at the FAN stage shall not be consolidated with cases that remain at stages prior to the issuance of a PAN, whether with or without a Notice of Discrepancy (NOD).

EXCEPTION (Allowed FAN-Level Consolidation): Consolidation involving any FAN-stage case may be allowed only if:

- The FAN was validly issued and properly served;
- The protest period is still running, or a valid protest has been timely filed;
- The assessment has not yet become final and executory;
- All safeguards under Section III(C) of this RMO are complied with; and
- Where a protest has already been filed, the Consolidated FAN is issued before the lapse of the applicable one hundred eighty (180)-day period under Section 228 of the Tax Code.

MANDATORY SAFEGUARDS FOR FAN-LEVEL CONSOLIDATION

Consolidation involving any FAN-level stage case shall not proceed unless ALL of the following are secured:

1. Written Conformity to Consolidation (Taxpayer Undertaking) Applicable to Consolidated NOD, PAN, and FAN;
2. Waiver of Prescription;
3. Standard Supersession Clause at NOD/PAN/FAN Level;
4. Proper Service; and
5. No Regression Rule

SUPPLEMENTARY RULES ON VAT REFUND APPLICATIONS

During the wind-up and transition period of the VATAS and the LTVAU, the following rules shall govern the authority to receive and process VAT refund applications:

A. Receipt of New VAT Refund Applications





- VATAS and LTVAU may continue to receive new VAT refund applications only until 31 March 2026. Beginning 01 April 2026, all new VAT refund applications shall be filed with and processed by the appropriate Revenue District Office (RDO) or the Large Taxpayers Service (LTS) having jurisdiction over the taxpayer.

B. Processing of Pending VAT Refund Applications

- VATAS and LTVAU may continue to process VAT refund applications already received only until 29 May 2026.

 [Click here for the full text of RMO No. 06-2026](#)

Annexes:

-  [Annex A - Amended List of Audit Selection Criteria](#)
-  [Annex B - Written Conformity to Consolidation \(Template\)](#)
-  [Annex C - Waiver of the Defense of Prescription under the Statute of Limitations of the NIRC \(Template\)](#)
-  [Annex D - Consolidation Compliance Checklist](#)

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