LEGAL UPDATES

JUNE 2026 | ISSUE NO. 06, S. 2026

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SUPREME COURT

OFFICE OF THE COURT ADMINISTRATOR (OCA) CIRCULAR NO. 111-2026 – REITERATION OF THE MANDATORY AND PERMISSIVE REFERRAL OF FAMILY CASES TO FAMILY MEDIATION

The Supreme Court Office of the Court Administrator (OCA) issued OCA Circular No. 111-2026 which provides a list of 35 court accredited mediators for Family Mediation and 15 mediator-trainees who are completing their accreditation.

With the accreditation of family mediators, the mandatory referral provision under Administrative Matter No. 24-02-06-SC, or the Rule on Family Mediation (RFM), has become fully enforceable. Court stations where accredited family mediators are assigned are duty-bound to comply. All Judges of the first and second level courts where the accredited mediators and mediator-trainees are assigned are directed to refer family cases to their respective Philippine Mediation Units for mediation proceedings.

Click here for the full text of OCA Circular No. 111-2026

G.R. NOS. 238729-30 – PHILIPPINE INVESTMENT TWO (SPV-AMC), INC. VS. SEBASTIAN

In *Philippine Investment Two (SPV-AMC), Inc. vs. Sebastian,* Philippine Investment Two (SPV-AMC), Inc. (PI Two) filed a complaint charging Kathrina L. Sebastian with two (2) counts of perjury under Article 183 of the Revised Penal Code. PI Two alleged that respondent Sebastian deliberately made false statements by claiming that Standard Chartered Bank had not been furnished adequate security for PI Two's loan, and that PI Two's ability to pay had been impaired by the U.S. bankruptcy proceedings involving Lehman Brothers. According to PI Two, these statements concealed the existence of a Pledge Agreement with collateral sufficient to secure the loan.

The Department of Justice (DOJ) initially found probable cause, reasoning that Sebastian's statement appeared to be a deliberate falsehood, given her knowledge of the Lehman Brothers Guarantee and the collateral under the Pledge Agreement. Subsequently, an Information for perjury was subsequently filed before the Metropolitan Trial Court (MeTC). However, the Secretary of Justice (SOJ) later reversed the DOJ resolution and directed the Office of the City Prosecutor of Makati (OCP-Makati) to withdraw the Information, prompting the filing to Withdraw with the MeTC.

The MeTC granted the OCP's Motion to Withdraw. Aggrieved, PI Two filed a Motion for Reconsideration and a Very Urgent Motion for Inhibition, both of which were denied. PI Two then sought the conformity of the Office of the Solicitor General (OSG) to appeal, but the OSG refused, explaining that: (a) its client in criminal cases is the People of the Philippines; (b) the State, through the public prosecutor, had already opted to withdraw the Information pursuant to the SOJ's directive; and (c) the MeTC had independently granted the Motion to Withdraw after evaluating the evidence.

Despite the lack of OSG conformity, PI Two pursued an appeal with the Regional Trial Court (RTC). Throughout the proceedings, both the OSG and the OCP-Makati opposed the appeal, maintaining that it could not be pursued without the State's conformity. The RTC reversed the MeTC decision and ordered the reinstatement of the Information against Sebastian,, ruling that PI Two may file the appeal even without the conformity of the OSG or OCP-Makati.

The Supreme Court ruled in favor of Sebastian, stating that in criminal cases, the State is the offended party, and the private complainant is merely a witness for the State. Under the Revised Rules on Criminal Procedure, the term "any party" refers to the State (i.e., the People of the Philippines), the accused, or, in certain limited instances, the private complainant.

Further, the Court has consistently held that appeals or petitions for certiorari involving the criminal aspect of a case or the right to prosecute exclusively pertain to the State. Thus, a private complainant who wishes to appeal must obtain the conformity of the OSG, subject to certain exceptions. In particular, a private complainant may file an appeal when:

1. Only the civil aspect of the criminal action is involved;
2. There is a denial of due process to the prosecution and the State or its agents refuse to act on the case to the prejudice of the State and the private offended party;
3. The judge committed grave error or the interest of substantial justice so requires; or
4. There is grave abuse of discretion.

However, the Court drew a distinction when a criminal action is initiated before first-level courts (MeTCs, Municipal Trial Courts, or Municipal Circuit Trial Courts), and an appeal is intended to be filed before a second-level court such as the RTC. The Court explained that, under Republic Act No. 10071 (Prosecution Service Act of 2010), the required conformity must come not from the OSG but from the National Prosecution Service. Thus, the Court held that the RTC should have dismissed the appeal because PI Two failed to obtain the required conformity of the State, and correspondingly denied PI Two's petition and dismissed the criminal case against Sebastian.

Click here for the full text of *Philippine Investment Two (SPV-AMC), Inc. vs. Sebastian*

SUPREME COURT

G.R. NO. 251453/263004 – OCEANAGOLD (PHILIPPINES), INC. VS. COMMISSION OF INTERNAL REVENUE (CIR)

In *OceanaGold v. CIR*, the Court held that that the fiscal regime under Republic Act (RA) No. 7942, or the Philippine Mining Act of 1995, applies to Financial or Technical Assistance Agreements (FTAAs) executed prior to the enactment of the law.

The case arose from a claim for refund filed by OceanaGold for the excise taxes it paid in relation to the Didipio Gold-Copper Project. In 1994, the Government, through Executive Secretary Teofisto Guingona, entered into an FTAA involving the large-scale exploration, development, and utilization of mineral deposits in Nueva Vizcaya and Quirino. The FTAA was later assigned to OceanaGold. In 1995, Congress enacted RA No. 7942.

In 2007, OceanaGold was able to secure a BIR ruling stating that it was exempt from the payment of excise tax on minerals. Despite the ruling, however, the BIR seized 800,000 metric tons (MT) of mineral ores pursuant to a Mission Order, which prevented OceanaGold from making removals of copper concentrates without pre-payment of excise tax. The BIR then revoked its earlier ruling which exempted OceanaGold from paying excise tax, and OceanaGold eventually paid the excise taxes under protest. Thereafter, OceanaGold filed a claim for refund of the excise taxes paid.

OceanaGold argued that the fiscal incentives under RA No. 7942 retroactively apply to FTAAs executed prior to its enactment. Further, it argued that there is no requirement that the payment of excise taxes must be detrimental before it can be recovered.

The Court held that while, on its face, the Non-Impairment Clause under RA No. 7942 does not specifically apply to existing FTAAs, the Implementing Rules and Regulations clarifies that such clause also covers FTAAs. The Court explained that RA No. 7942 is clearly a law that is beneficial to OceanaGold, and should inure to its benefit, because the law aims to revitalize the mining industry by creating a unified legal framework and offering incentives to encourage both domestic and foreign investment. Therefore, the fiscal regime provided under RA No. 7942, including the excise tax exemption of contractors during the recovery period, governed and applied to existing FTAA contractors such as OceanaGold upon the effectivity of the law.

Further, the Court held that there is no requirement that a tax must be detrimental to OceanaGold's recovery of Pre-operating and Property Expenses. This is because RA No. 7942 explicitly allows for the recovery of these expenses, as it states that the Government's share in the FTAA shall only commence after the contractor has fully recovered its pre-operating expenses.

Nevertheless, the Court denied OceanaGold's claims for refund as it failed to substantiate its claims. As to the excise taxes paid in 2013, OceanaGold failed to satisfy the conditions under the FTAA and RA No. 7942. As to the excises paid in 2014, the Court held that such payments were made after the recovery period had expired.

Click here for the full text of *Oceanagold vs. CIR*

BANKING

BANGKO SENTRAL NG PILIPINAS (BSP) MEMORANDUM NO. M-2026-023 – COIN/TOKEN LISTING GUIDELINES

BSP Memorandum No. M-2026-023 clarifies regulatory expectations for Virtual Asset Service Providers (VASPs) in conducting due diligence reviews of coins and/or tokens as Virtual Assets (VAs) that will be listed or traded on their platforms and offered to their customers.

The due diligence factors are organized into six (6) pillars:

1. Issuer's Background
2. Market Maturity
3. Use Cases
4. Transparency, Traceability, and Security
5. Redemption, Liquidity, and Reserves
6. Legal and Compliance

VASPs are also required to monitor compliance with each pillar during the listing of VAs and must set thresholds for deviations from each pillar that will trigger the delisting of a VA. The BSP clarifies that the offering of anonymity-enhancing VAs is prohibited from being listed by VASPs.

Click here for the full text of BSP Memorandum No. M-2026-023

BANKING

BSP MEMORANDUM NO. M-2026-024 – GUIDELINES ON THE SUBMISSION OF THE SELF-ASSESSMENT CHECKLIST AS PART OF THE SUBMISSION OF AUDITED FINANCIAL STATEMENTS

BSP Memorandum No. M-2026-024 provides guidelines on the Submission of the Self-Assessment Checklist (SAC) for all covered BSP-Supervised Financial Institutions (BSFIs). Specifically, BSFIs must accomplish and submit the Audited Financial Statements (AFS)-SAC together with the AFS reports based on the following guidelines, beginning with the 2025 AFS:

1. The AFS-SAC may be downloaded from the BSP Website (www/bsp.gov.ph/SES/reporting_templates) or requested via email DSAReports@bsp.gov.ph.

2. Covered BSFIs shall electronically transmit (in word document and in Portable Document Format [PDF]) the SAC to the BSP-Department of Supervisory Analytics (DSA) not later than 120 calendar days after the close of the calendar year or fiscal year adopted by the covered BSFI, duly certified and signed by the authorized official of the reporting BSFI, with the following subject line: **AFS<space><BSFI Name>,<space><Reference period in dd Month yyyy>**, as follows:

<table>
<tr><th>Type of Institution</th><th>Email Address</th><th>File Name</th><th>File Format</th></tr>
<tr><td>Universal / Commercial Banks</td><td>dsakb-afs@bsp.gov.ph</td><td rowspan="12">AFS-SAC-basis
[Where basis is the type of report (i.e., SOLO, CONSO or TRUST), e.g., AFS_SAC_SOLO, AFS_SAC_CONSO, and AFS_SAC_TRUST]</td><td rowspan="12">Reports in Word Document and PDF</td></tr>
<tr><td>Digital Banks</td><td>dsa-db@bsp.gov.ph</td></tr>
<tr><td>Rural and Cooperative Banks</td><td>dsarb-afs@bsp.gov.ph</td></tr>
<tr><td>Thrift Banks</td><td>dsatb-afs@bsp.gov.ph</td></tr>
<tr><td>Non-Banks with Quasi-Banking Functions</td><td>dsanbqb-afs@bsp.gov.ph</td></tr>
<tr><td>Non-Stock Savings and Loan Association</td><td>dsanssla-afs@bsp.gov.ph</td></tr>
<tr><td>Trust Corporations</td><td>dsatc-afs@bsp.gov.ph</td></tr>
<tr><td>Non-Bank Financial Institutions w/o Quasi-Banking Functions</td><td>dsanbfi-afs@bsp.gov.ph</td></tr>
<tr><td>Electronic Money Issuers</td><td>dsaemi-afs@bsp.gov.ph</td></tr>
<tr><td>Virtual Currency Exchanges</td><td>dsavce-afs@bsp.gov.ph</td></tr>
<tr><td>Pawnshops</td><td>dsapawnshop-afs@bsp.gov.ph</td></tr>
<tr><td>Money Services Businesses</td><td>dsamsb-afs@bsp.gov.ph</td></tr>
</table>

3. Notably, the DSA will only accept submissions from BSFIs' officially registered e-mail address/es. Hard copy submissions will not be accepted.

4. Report submissions should comply with BSP reporting standards.

5. Covered BSFIs that are unable to transmit electronically may coordinate with DSA for assistance. Queries should be sent via email to the appropriate supervising department with the following subject line: [INQUIRY] AFS Reports.

Click here for the full text of BSP Memorandum No. M-2026-024

BSP MEMORANDUM NO. M-2026-030 – ARRANGEMENTS INVOLVING REGULATED ELECTRONIC MONEY ACTIVITIES

BSP Memorandum No. M-2026-030 reminds all BSP-Supervised Financial Institutions (BSFIs) authorized to offer electronic money (e-money) services that such authority is granted only to the entity duly approved by the BSP, and must be exercised in accordance with the conditions and requirements under the Manual of Regulations for Banks (MORB) and the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI).

Arrangements involving technology services, platform access, among others, shall be governed by the National Payment Systems Act (NPSA), the Manual of Regulations for Payment Systems (MORPS), and other applicable requirements. In assessing arrangements, BSP may consider the actual functions performed by the parties, the allocation of responsibilities and risks, customer-facing representations, control over funds or accounts, and the extent to which the arrangement results in another person or entity effectively performing activities that require BSP authority. Further, BSP-Supervised Institutions (BSIs) shall ensure that any third-party arrangement is consistent with the MORB, MORNBFI, MORPS, and other applicable laws and BSP regulations.

Any violation of applicable laws or BSP regulations, or the terms and conditions of the relevant authority, license, or registration may subject the BSI concerned, its directors, officers, and/or persons responsible to the appropriate supervisory or enforcement action, and other enforcement and sanction provisions under relevant BSP issuances.

Click here for the full text of BSP Memorandum No. M-2026-030

BANKING

BSP MEMORANDUM NO. M-2026-031 – GUIDANCE PAPER ENTITLED "GOVERNANCE PRINCIPLES FOR ARTIFICIAL INTELLIGENCE (AI) IN FINANCIAL SERVICES"

The BSP issued Memorandum No. M-2026-031 to circulate a guidance framework entitled "Governance Principles for Artificial Intelligence (AI) in Financial Services" to all BSP-Supervised Financial Institutions (BSFIs). The framework is intended to help financial institutions formulate their own AI governance policies and risk management frameworks, proportionate to the nature, extent, scale, complexity, and materiality of their AI systems, as well as the institution's overall operational complexity and risk profile. The principles are non-binding, and compliance is voluntary and without prejudice to existing laws and regulations.

The BSP presented the five STARS of AI Governance in Financial Services: Sustainability, Transparency, Accountability, Responsibility, and Security. The memorandum likewise includes the AI System Lifecycle: (1) Plan, (2) Develop, (3) Validate, (4) Deploy, and (5) Monitor. The BSP notes that interventions should be implemented at any stage to mitigate or control associated risks, although the outlined procedures may not be universally applicable to all use cases.

Click here for the full text of BSP Memorandum No. M-2026-031

BSP CIRCULAR NO. 1237 – REGULATIONS ON THE OPERATION OF DIGITAL FINANCIAL MARKETPLACE AND PRESENTATION OF FINANCIAL PRODUCTS AND SERVICES IN DIGITAL PLATFORMS

BSP Circular No. 1237 sets the rules for how BSP-Supervised Financial institutions (BSFIs) may operate or take part in digital financial marketplaces and present products on digital platforms. Likewise, the Circular reclassified the Digital Financial Marketplace as a Type A license.

Banks or Electronic Money Issuers - Non-Bank Financial Institution (EMI-NBFI) must first apply with the BSP to be authorized to operate a marketplace, which application may take at least thirty (30) banking days. Among the requirements for the application are:

1. An Advanced Electronic Payments and Financial Services (EPFS) license;
2. A minimum net worth or combined capital of PhP1.0 Billion;
3. Adequate IT infrastructure, and
4. An Operator of Payment System (OPS) registration, if applicable.

The Circular also listed the products or services that may be presented in the digital financial marketplace, including:

1. Financial products or services created or distributed by the marketplace operator or its accredited financial service provider (FSP) including, but not limited to, simple deposit products, consumer and micro, small and medium enterprises (MSME) loans, and plain vanilla debt securities, and equity securities allowed for public offering/distribution; and
2. Non-financial products or services created or distributed by an accredited service or product provider (SPP) which complement the marketplace operator's business model or strategies.

Moreover, BSFIs that present their products on a third-party digital platform must follow different notification requirements depending on their Supervisory Assessment Framework (SAFr) composite ranking:

<table>
<tr><td>BSFI rated 3 or higher</td><td>Allowed to list its products in a digital financial marketplace without prior BSP approval or notification</td></tr>
<tr><td>BSFI rated below 3</td><td rowspan="2">Must notify BSP before joining marketplace</td></tr>
<tr><td>All BSFIs, regardless of SAFR rating, that will present their products in a digital platform</td></tr>
</table>

BSFIs shall also notify the appropriate BSP supervising department, within ten (10) banking days of board approval, of any material change in marketplace strategy or scope.

The Circular further clarifies that marketplace participants must ensure that the products presented or recommended are appropriate to the needs, goals, and risk profile of consumers. Marketplace participants shall comply with Republic Act No. 11765 (The Financial Products and Services Consumer Protection Act), which covers (a) disclosure and transparency, ensuring consumers receive adequate and accessible information to make informed decisions; (b) fair treatment, prohibiting discrimination on the basis of race, ethnicity, religion, or similar attributes; (c) effective recourse, through established complaint handling and redress mechanisms; (d) protection against forced product bundling; and (e) a cooling-off policy allowing customers to terminate, withdraw, or return a product within the prescribed period.

The BSP may also impose enforcement actions against BSFIs, including their directors, officers, or employees, for non-compliance with the requirements set forth in the Circular. These actions include issuing directives, imposing sanctions, and suspending any business activity that poses or may pose adverse effects to the BSFI.

Click here for the full text of BSP Circular No. 1237

BANKING

BSP CIRCULAR NO. 1238 – AMENDMENTS TO THE NATIONAL RETAIL PAYMENT SYSTEM FRAMEWORK AND THE REGULATORY FRAMEWORK FOR MERCHANT PAYMENT ACCEPTANCE ACTIVITIES

BSP MEMORANDUM NO. M-2026-026 – FREQUENTLY ASKED QUESTIONS ON THE AMENDMENTS TO THE NATIONAL RETAIL PAYMENT SYSTEM FRAMEWORK AND THE REGULATORY FRAMEWORK FOR MERCHANT PAYMENT ACCEPTANCE ACTIVITIES

The BSP issued Circular No. 1238 to strengthen the regulatory framework governing the pricing of person-to-person (P2P) electronic fund transfers (EFTs) and the conduct of due diligence for merchants, and reinforces alignment of merchant due diligence with existing regulations. In connection with the Circular, the BSP issued Memorandum No. M-2026-026, which summarizes Frequently Asked Questions (FAQs) on the Circular, as follows:

Q: Is the cost analysis required to be submitted to the BSP on a periodic basis for substantive review and assessment of the reasonableness of fees?

- The requirement for BSP-supervised institutions (BSIs) to undertake a cost analysis is intended to ensure that pricing for electronic payment products and services is anchored on documented and verifiable cost considerations and is not a regime of ex-ante price regulation.

Q: Will the BSP prescribe or issue a standard template for the cost analysis, including guidance on the allocation of common or shared expenses?

- BSIs may adopt their own internal cost analysis formats, provided that the underlying assumptions and methodologies are clearly documented, supported and verifiable.
- Allocation of shared or common costs across business units or products and services is not subject to a prescribed methodology and may be determined based on each BSI's internal accounting practices though it must be in accordance with applicable accounting standards to ensure consistency transparency and reliability of cost information.

Q: Are the cost categories set out in Appendix 201-2 of the Circular required to be included in the cost analysis?

- No, the cost categories set out in the appendix are merely illustrative and that the categories should be based on a BSI's sound judgment as documented in written policy and verifiable through consistent methodologies.

Q: What is the extent of coverage of the prescribed pricing mechanism in terms of activities, transaction types, and client segments?

- The prescribed pricing mechanism applies only to domestic P2P EFTs whether processed through InstaPay or PESONet.
- It does not cover card-based transactions, transactions involving corporate clients or merchants, or cross-border transactions.

Q: What constitutes a material difference, and is there a prescribed materiality threshold?

- A prescribed materiality threshold is intentionally not specified as a fixed benchmark may not adequately capture the varied and nuanced business models of BSIs and could lead to misinterpretation or inappropriate assessments.
- Regulatory oversight will be exercised through a post-disclosure assessment mechanism wherein BSIs that report comparatively high fees in their regular fee disclosures may be required to submit their cost analysis and/or other supporting documentation or justification to enable a more detailed review against established pricing principles.

Q: To what extent is segment-based or differentiated pricing across customer groups permitted under the prescribed pricing mechanism?

- BSIs may implement differentiated or segment-based pricing strategies, including tiered pricing structures, based on sound business and operational considerations and the value proposition offered to different customer segments.
- BSIs should ensure that pricing structures do not result in one group of users unreasonably subsidizing the cost of serving another and remain grounded in cost-based principles applied transparently and structured in a manner that avoids distortive or exclusionary outcomes.
- BSIs are reminded that their pricing policy processes, and procedures should include detailed discussions on the rationale and quantitative support for determining fees.
- Pricing formulas are expected to be clear, documented, and well-justified, indicating why and how prices have been set, such as costs passed on to end-users.

(Continued on the next page)

BANKING

(BSP Circular No. 1238 and Memorandum No. M-2026-26, continued)

Q: If a BSI waives fees for on-us transaction, how should it determine and apply fees for off-us transactions under prescribed pricing structure?
• Even where fees for on-us transactions are waived, the pricing of off-us transactions must remain consistent with the prescribed pricing mechanism.
Q: How would the prescribed pricing structure apply to Payment Service Providers (PSPs) that do not impose on P2P EFTs?
• P2Ps that currently offer P2P EFT services free of charge are not covered by the prescribed pricing structure and may continue to provide such services without charge. • The prescribed pricing structure shall apply only to PSPs that elect to impose a fee for the provision of P2P EFT services.
Q: Do the provisions of the Circular on merchant due diligence introduce new or additional requirements, for BSIs?
• It is understood that BSIs already have in place the necessary policies, systems, controls, and processes to comply with these regulatory requirements.
Q: What are the onboarding requirements for small and/or informal merchants under the Circular?
• Consistent with Section 921 of the MORB/921-Q of the MORNBFl, a risk-based approach applies to the on boarding of merchants. • BSIs may implement reduced due diligence for merchants assessed to present low risk, based on the relevant risk profiling criteria under existing regulations.

Click here for the full text: BSP Circular No. 1238 | BSP Memorandum No. 2026-026

TAXATION

REVENUE ADMINISTRATIVE ORDER (RAO) NO. 04-2026 – ABOLITION OF THE LARGE TAXPAYERS VAT AUDIT UNIT (LT VAU) UNDER THE LARGE TAXPAYERS SERVICE AND THE VAT AUDIT SECTION (VATAS) UNDER THE ASSESSMENT DIVISION IN THE REGIONAL OFFICES

Pursuant to Revenue Administrative Order (RAO) No. 04-2026, the Bureau of Internal Revenue (BIR) abolished the Large Taxpayers VAT Unit (LT VAU) under the Large Taxpayers Service, and the VAT Audit Section (VATAS) under the Assessment Division in Revenue Regions. All functions of the LT VAU and VATAS shall be assigned to the appropriate divisions/offices of the Large Taxpayers Service, Revenue Regions and Revenue District Offices.

Click here for the full text of RAO No. 04-2026

REVENUE MEMORANDUM CIRCULAR (RMC) NO. 59-2026 – FURTHER CLARIFYING THE PROVISIONS OF REVENUE REGULATIONS NO. 03-2025 TO IMPLEMENT REPUBLIC ACT NO. 12023, ENTITLED "AN ACT AMENDING SECTIONS 105, 108, 109, 110, 113, 114, 115, 128, 236 AND 288 AND ADDING NEW SECTIONS 108-A AND 108-B OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED," IMPOSING THE VALUE-ADDED TAX ON DIGITAL SERVICES"

The BIR issued Revenue Memorandum Circular (RMC) No. 59-2026 to clarify the implementation of the Value-Added Tax (VAT) on Digital Services. Under the Circular, a nonresident digital service provider (NRDSP) that delivers digital services to Philippine consumers is required to register with the BIR and file VAT returns even if its services qualify for VAT-exemption.

The Circular clarifies that in a cross-border cost sharing arrangement involving a foreign digital service provider, a foreign affiliate which pays for such digital services, and a Philippine subsidiary that ultimately consumes the service, the foreign digital service provider is considered as the NRDSP. However, it is not required to register with the BIR, as there is no direct transaction between the foreign digital service provider and the Philippine subsidiary. Instead, it is the Philippine subsidiary who is liable for the filing of the VAT return and must withhold and remit the VAT due on the cost of the digital service charged to it.

Further, a nonresident corporation engaged solely in facilitating real-time fund transfers between parties to a digital transaction is subject to VAT on the digital service if it collects service fees from a client located in the Philippines for the use of its services. In that case, the VAT shall be imposed on the service fee collected.

Related Issuance: RR No. 3-2025 - Prescribing Policies and Guidelines for the Implementation of Republic Act No. 12023

Click here for the full text of RMC No. 59-2026

TAXATION

RMC NO. 60-2026 – AMENDMENT OF RMC NO. 116-2024 RE: INCLUSION OF LIFELINE SUBSIDY AND GREEN ENERGY AUCTION ALLOWANCE AS GOVERNMENT MANDATED CHARGES NOT SUBJECT TO OUTPUT TAX AND CREDITABLE WITHHOLDING TAX ON VAT AND INCOME

RMC No. 60-2026 amends the list of government mandated charges not subject to Output Tax and Creditable Withholding Tax on Value-Added Tax (VAT) and Income under RMC No. 116-2024 to include two (2) additional charges:

1	Energy Tax under Batas Pambansa Big. 36
2	Universal Charges (UC) under Section 34 of Republic Act (RA) No. 9136, or the Electric Power Industry Reform Act of 2001 (EPIRA)
3	Benefits to Host Communities under Section 66 of the EPIRA and DOE Regulations No. 1-94
4	Feed-in Tariff Allowance (FIT-All) under Energy Regulatory Commission (ERC) Res. 24, Series of 2013
5	National and Local Franchise Taxes under Section 9 of RA No. 9511 and Art. III of ERC Res. No. 02, Series of 2021, respectively
6	Real Property Tax (RPT) under Art. II of ERC Res. No. 02, Series of 2021
7	**Lifeline Subsidy under Section 1 of ERC Res. No. 02, Series of 2026**
8	**Green Energy Auction Allowance (GEA-All) under ERC Res. No. 6, Series of 2026**

Related Issuance:

- RMC No. 116-2024 - Clarifying the Provisions of Republic Act No. 11976 ("Ease of Paying Taxes Act", Applicable to the Power Industry)

Click here for the full text of RMC No. 60-2026

RMC NO. 63-2026 – PUBLISHING THE FULL TEXT OF NCSC PUBLIC ADVISORY NO. 1, SERIES OF 2026 DATED MAY 18, 2026 SIGNED BY THE CHAIRPERSON AND CHIEF EXECUTIVE OFFICER THE OF NATIONAL COMMISSION OF SENIOR CITIZENS RE: ACCEPTANCE OF THE DIGITAL NATIONAL SENIOR CITIZEN ID AS VALID PROOF OF IDENTITY IN ALL TRANSACTIONS"

The BIR issued RMC No. 63-2026 to publicize National Commission of Senior Citizens (NCSC) Public Advisory No. 1, Series of 2026 informing that the Digital National Senior Citizens ID (NSCID) is a valid proof of identity for Filipino senior citizens and must be accepted in all transactions. The NSCID can be availed through the eGovPH Application.

Such digital ID may be used in various transactions such:

1. Availment of the mandatory twenty (20%) discount and VAT exemption on goods and services as provided by law;
2. Access to government services, social protection programs, assistance interventions, and priority accommodations in public and private establishments;
3. Banking, financial, and identity verification transactions; and
4. All other lawful transactions where presentation of a Senior Citizens ID is required or customarily accepted.

Click here for the full text: RMC No. 63-2026 | NCSC Public Advisory No. 1, Series of 2026

RMC NO. 64-2026 – SUPPLEMENTAL GUIDELINES ON THE GENERATION OF REGISTRATION SEAL BADGE VIA THE ONLINE REGISTRATION AND UPDATE SYSTEM (ORUS) FOR TAXPAYERS WITH NO UPDATES ON CERTIFICATE OF REGISTRATION (COR) PURSUANT TO RMC NO. 38-2026

RMC No. 64-2026 provides guidelines for existing business taxpayers with a Certificate of Registration (COR) or Electronic COR (eCOR) without a corresponding Registration Seal Badge and whose registration information has no updates. These taxpayers may generate their Registration Seal Badge through the BIR's Online Registration and Update System (ORUS) through the following procedure:

1	Enroll or login to ORUS.
2	Synchronize Registration Record by going to the Profile Page and clicking the "Synchronize" button to update/synchronize registration record.
3	Proceed to the "Certificates and Permits" section.
4	Download the latest COR with QR Code, together with the Registration Seal Badge, and pay the Documentary Stamp Tax (DST) of PhP30.00 online BIR's ePayment Channels.
5	Post the **Registration Seal Badge**, which shall be displayed on the online websites; e-marketplace seller/merchant's page, e-commerce shops, e-commerce platforms or mobile applications, including persons offering their services such as bloggers, vloggers, live streamers, content creators, influencers, and individuals earning through online views, advertisements, affiliate commissions, brand sponsorships or similar monetized digital activities, in lieu of the COR or eCOR.

Related Issuance:

- RMC No. 38-2026 - Prescribing the Issuance and Posting of the BIR Registration Seal Badge on Online Websites, E-Commerce or E-Marketplace Seller/ Merchant's Page and Other Platforms, and Announcing the Availability of QR Code in the BIR Certificate of Registration

Click here for the full text of RMC No. 64-2026

RMC NO. 72-2026 – CLARIFYING THE TAX TREATMENT OF TRANSFERS OF PROPRIETARY CLUB SHARES HELD UNDER NOMINEE OR TRUST AGREEMENTS, DISPENSING WITH PRIOR CONFIRMATORY RULING SUBJECT TO POST-AUDIT VERIFICATION

RMC No. 72-2026 clarifies the tax treatment of transfers of proprietary club shares (e.g. Manila Polo Club shares) held under nominee or trustee arrangements and dispenses with the requirement of securing a prior confirmatory ruling subject to post-audit verification.

Corporations commonly acquire proprietary club shares to give their officers access to club facilities. Since club by-laws typically require that ownership be given to natural persons, the shares are registered in the name of a "nominee" or "trustee" officer, with legal title transferred to a new nominee whenever the officer retires or is replaced. The Circular applies only where the corporation is the established beneficial owner of the shares, supported by contemporaneous documentary evidence and consistent accounting treatment.

Tax treatment of the transfer

- **Not subject to Capital Gains Tax (CGT)**
  - Citing *Sime Darby Pilipinas, Inc. vs. Mendoza,* the BIR clarified that a transfer of legal title from one nominee-trustee to another is not subject to CGT under Section 24(B)(3) of the Tax Code, provided there is no transfer of beneficial ownership and the trustor-corporation remains the beneficial owner of the share.
  - The existence of the trust arrangement must be shown by clear and convincing evidence, e.g. a duly executed trust agreement, proof the corporation paid for the share, its recognition of the share as a corporate asset, and the absence of any personal beneficial interest on the part of the nominee.
- **Not subject to Documentary Stamp Tax (DST)**
  - Under Section 175 of the Tax Code and Section 4 of RR No. 13-2004, DST on share transfers applies only where there is an actual or constructive transfer of beneficial ownership.
  - Since a change from one nominee/trustee to another involves no such transfer, no DST is due, consistent with the principle that DST is imposed only on documents evidencing a transfer of ownership or rights.
- **Not subject to Donor's Tax**
  - Since the corporation never parts with beneficial ownership, there is no *animus donandi* (intent to do an act of liberality), one of the three indispensable elements of donation under the Civil Code. Absent any depletion of the corporation's patrimony nor corresponding enrichment of the nominee, Section 98 of the Tax Code does not apply.

Dispensing with prior confirmatory ruling

Consistent with the Ease of Doing Business and Efficient Government Service Delivery Act of 2018 (R.A. No. 11032), the BIR will no longer require a prior confirmatory ruling for the transfer of proprietary club shares held under nominee or trust arrangement, without prejudice to the BIR's authority to conduct post-audit verification and apply the substance-over-form doctrine.

The exemption applies only if all of the following conditions are strictly met:

1. The corporation remains the beneficial owner;
2. The transfer is documented by a Declaration of Trust or Trust Agreement;
3. The share is recorded as a corporate asset in the company's books; and
4. The transfer is made without monetary or non-monetary consideration, directly or indirectly, in favor of the outgoing or incoming nominee.

Any misrepresentation or non-compliance will subject the transaction to applicable taxes, penalties, and surcharges, including possible recharacterization based on its true nature.

Compliance for eCAR issuance

Taxpayers may apply directly with the Revenue District Office (RDO) having jurisdiction over the issuer of the share for an electronic Certificate Authorizing Registration (eCAR) by submitting the following:

1. Notarized Deed of Assignment/Transfer between the outgoing and incoming nominee-trustees;
2. Original Declaration of Trust/Trust Agreement covering the outgoing nominee, and a new Declaration of Trust/Trust Agreement covering the incoming nominee;
3. Proof that the corporation paid for the share and that it is carried and maintained as a corporate asset in the company's books; and
4. Secretary's Certificate or Board Resolution confirming the transfer is without monetary consideration and does not involve a transfer of beneficial ownership.

The RDO will conduct a completeness check within the timelines under R.A. No. 11032 and process applications accordingly, without prejudice to post-audit verification.

Pending applications

Confirmatory ruling applications for such transfers currently pending with the BIR will no longer be acted upon; applicants may instead proceed directly to the RDO having jurisdiction over the transaction for eCAR processing, subject to compliance with the Circular's documentary requirements.

Click here for the full text of RMC No. 72-2026

REVENUE REGULATIONS (RR) NO. 04-2026 – PRESCRIBING GUIDELINES AND PROCEDURES FOR THE AVAILMENT OF A ONE-TIME ABATEMENT OF TAXES AND/OR PENALTIES FOR MICRO TAXPAYERS

The BIR issued Revenue Regulations (RR) No. 04-2026 which prescribes guidelines and procedures for the availment by micro taxpayers of the opportunity to settle their delinquent accounts or assessments, including micro taxpayers who have ceased business operations, by way of application of abatement of taxes and/or penalties.

When to avail

- The benefits under RR No. 04-2026 may be availed **until 31 December 2026**, unless extended by the Secretary of Finance upon recommendation of the Commissioner of Internal Revenue.

Who may avail

- A micro taxpayer is a taxpayer whose **gross sales for the year is less than PhP3,000,000.00**.
  - For mixed income earners, "gross sales" shall only cover business income, excluding compensation income earned under an employer-employee relationship.

What may be covered by the abatement

Any micro taxpayer, natural or juridical, may avail of the abatement to settle:

1. All delinquent accounts as of 31 December 2025;
2. Assessments whether preliminary or final, disputed or not, as of 31 December 2025; and
3. All open stop-filer cases as of 31 December 2025, including those of micro taxpayers who have ceased business operations.

In particular, the following cases of micro taxpayers with **delinquent or assessed basic tax or penalties (arising from violations of the Tax Code) of not more than PhP80,000.00** may be applied for abatement:

1. Delinquent Accounts;
2. Cases with administrative protests pending in the Regional Office, Revenue District Office (RDO), Legal Service through the Appellate Division, Collection Service, Enforcement Service, and other offices in the National Office;
3. Taxes being disputed before the Department of Justice and the courts (Municipal Trial Courts, Court of Appeals, and Supreme Court);
4. Tax collection cases filed with the Courts
5. Cases with pending request for Compromise Settlement which are under evaluation by the Technical Working Group (TWG) - National Evaluation Board (NEB), TWG-Regional Evaluation Board (REB), NEB, and REB;
6. Cases with pending request for abatement under RR No. 13-2001 for evaluation by the Commissioner of Internal Revenue or his authorized representative;
7. Criminal violations, except those filed in Court;
8. "Accounts Payable or Due" to BIR accounts duly recorded or acknowledged by the taxpayers in their books of accounts; and
9. No basic tax due threshold but the threshold amount involves penalties due.

Where to avail

- To avail of the abatement, micro taxpayers shall manually file an **application for abatement**, specifying the tax types and basic amount due (excluding interest) for each case, with the **RDO having jurisdiction over the taxpayer**.

How to avail

- Upon acceptance of the application for abatement, the applicant shall pay the amount of **Five Thousand Pesos (PhP5,000.00)**, either electronically or manually, which shall be paid within five (5) working days from the filing of the application.
- The applicant shall submit the proof of payment to the RDO within five (5) working days from the date of payment.
  - In case of withdrawal of application or denial thereof, the abatement fee shall not be refunded but shall be applied as partial payment of the taxes or penalties sought to be abated.
  - Failure to submit proof of payment with the required period shall render the application void, without prejudice to re-filing within the abatement period.
- If accepted, the RDO shall issue a Certificate of Availment within five (5) working days from receipt and verification of the proof of payment.

Click here for the full text of RR No. 04-2026

Application Form One-Time Abatement for Micro Taxpayers

SEC

SECURITIES AND EXCHANGE COMMISSION (SEC) NOTICE – EXTENSION OF THE TRANSITIONAL USE OF THE 2020 GENERAL INFORMATION SHEET (GIS) FORM FOR GIS AND BENEFICIAL OWNERSHIP DECLARATION (BOD) PAGE FILING THROUGH EFAST UNTIL 31 JULY 2026

The Securities and Exchange Commission (SEC) extends the transitional use of the 2020 General Information Sheet (GIS) form, which includes the Beneficial Ownership Declaration (BOD) Page, until **31 July 2026**. During the extension period, corporations may continue to file their GIS and BOD Page through eFAST using the 2020 GIS Form without being redirected to the Hierarchical and Applicable Relations and Beneficial Ownership Registry (HARBOR).

Click here for the full text of the SEC Notice on Extension of Transitional Use of 2020 GIS

SEC MEMORANDUM CIRCULAR NO. 19, SERIES OF 2026 – EXTENDING THE DISCOUNTED FEES FOR REGISTRATION OF SECURITIES FOR MICRO SMALL AND MEDIUM ENTERPRISES (MSMES)

The SEC has further extended the discounted filing fees for the Registration of Securities for qualified Micro, Small, and Medium Enterprises (MSMEs), as defined in Republic Act No. 9501, until **31 December 2026**.

Particulars	Discount
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

Click here for the full text of SEC MC No. 19, Series of 2026

LABOR & EMPLOYMENT

DEPARTMENT OF LABOR AND EMPLOYMENT (DOLE) ORDER 248-B – CENTRALIZING THE FILING, PROCESSING, EVALUATION, APPROVAL, ISSUANCE, RELEASE, ADJUDICATION, AND ENFORCEMENT FUNCTIONS RELATING TO ALIEN EMPLOYMENT PERMITS, AND AMENDING RELEVANT PROVISIONS OF DEPARTMENT ORDER NOS. 248 AND 248-A, SERIES OF 2025

By virtue of Department Order 248-B, the Department of Labor and Employment (DOLE) strengthens the administration of the Alien Employment Permit (AEP) System by centralizing all functions relating to AEPs under the DOLE Central Office through the Bureau of Local Employment (BLE).

These functions include the receipt, filing, processing, evaluation, review, approval, issuance, release, adjudication, enforcement, cancellation, revocation, renewal, and administration of AEPs, as well as applications for Certificates of Exemption and Certificates of Exclusion, and submission of Understudy Training Program (UTP) and Skills Development Program (SDP). Further, the BLE shall serve as the primary office responsible for receiving applications, conducting technical review and evaluation, administering the Economic Needs Test (ENT), approving or denying application, maintaining official records, and releasing approved permits and certificates.

The DOLE rules on AEPs are likewise amended to reflect the change. Rule IV, Section 6 is amended to reflect that the employer or foreign national may file a motion for reconsideration with the Director of the DOLE Legal Service on the order cancelling or revoking the AEP within ten (10) calendar days from receipt thereof. Accordingly, Regional Offices are required to submit and turnover existing records and pending applications to the BLE, within 72 hours from the effectivity of the Order.

Click here for the full text of DOLE Order 248-B

20 YEARS
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