



CEO survey findings by Jade Divinagracia on CNN Philippines

Client Advisory Letter

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September 2021

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Taxes, compliance matters, assessments, and refunds

Simultaneous service

Consequences of serving the PAN and the FLD/FAN on the same day

On the same day, a taxpayer received both the Preliminary Assessment Notice (PAN) and the Formal Letter of Demand/Final Assessment Notice (FLD/FAN) assessing deficiency income tax, fringe benefits tax (FBT) and improperly accumulated earnings tax (IAET).

Subsequently, the taxpayer paid the deficiency income tax and FBT assessments but filed a request for reinvestigation (protest) against the FLD/FAN as regards the deficiency IAET assessment.

Considering that the taxpayer received the PAN and FLD/FAN on the same day, the Supreme Court affirmed the ruling of the Court of Tax Appeals that the FLD/FAN was issued by the BIR without giving the taxpayer an opportunity to respond to the PAN. Hence, the FLD/FAN was void for violating the taxpayer's right to due process, notwithstanding that the taxpayer was able to protest the FLD/FAN and that the taxpayer paid the deficiency income tax and FBT assessed.

The Supreme Court also cited its earlier decision in *Commissioner of Internal Revenue vs. Metro Superama, Inc.* (652 Phil. 172) which stressed the importance of the PAN as a substantive and not just a formal requirement of due process.

(G.R. No. 222476, promulgated 5 May 2021)

Internal issue

When correspondence between the BIR and the BOC is treated as a BIR ruling

The Commissioner of Internal Revenue (CIR) issued an opinion, Document No. M-059-2012, to the Commissioner of Customs (COC) in response to the latter's query regarding the taxation of alkylate importations. In the CIR's opinion, alkylate importations are subject to excise tax and value-added tax.

Glossary

BIR – Bureau of Internal Revenue

After receiving Document No. M-059-2012, the Bureau of Customs (BOC) issued a demand letter to the taxpayer for the payment of deficiency excise taxes for previous alkylate importations.

Subsequently, the taxpayer went to the Court of Tax Appeals (CTA) to assail Document No. M-059-2012 as an invalid BIR ruling because it was issued without factual bases and in violation of the right to due process. However, the CIR and the COC questioned the jurisdiction of the CTA to entertain the case on the ground that Document No.

M-059-2012 was neither a ruling nor an adverse decision that was appealable to the CTA but a mere internal communication between them.

According to the Supreme Court, the CTA had jurisdiction to entertain the case because Document No. M-059-2012 is considered a BIR ruling. It reasoned as follows:

- BIR rulings are the official positions of the BIR in response to queries raised by taxpayers and other stakeholders regarding the clarification and interpretation of tax laws. The primary purpose of a BIR ruling is simply to determine whether a certain transaction, under the law, is taxable or not based on the taxpayer's circumstances.
- The tenor and wording of Document No. M-059-2021 qualify it as a BIR ruling given that:
 - a. The query relates to particular transactions of the taxpayer (and no other taxpayer) with respect to alkylate importations during specific taxable years,
 - b. The query calls for an interpretation of whether alkylate falls under "similar products of distillation" in Section 148(e) of the Tax Code; and
 - c. The document concludes with a determination of the taxability of the taxpayer's importations.
- Although the query originated from the BOC and not from the taxpayer, the clarificatory/interpretative tenor of Document No. M-059-2021 relative to the taxpayer's excise tax liability remains.

(G.R. Nos. 210501, 211294 and 212490, promulgated 15 March 2021)

Stamp of approval

Regulations for the affixture of stamps on cigarettes, tobacco, and vapor products

The Bureau of Internal Revenue (BIR) issued consolidated regulations governing the affixture of internal revenue stamps on imported and locally manufactured cigarettes, heated tobacco products and vapor products, and the use of the Enhanced Internal Revenue Stamp Integrated System (Enhanced IRSIS) as regards the production, release, affixture, inventory, and sale of cigarettes.

Said regulations amend Revenue Regulations (RR) Nos. 7-2014, 9-2015 and 6-2017 and incorporate the provisions of Republic Act Nos. 11346 and 11467. The salient provisions thereof include the following:

- Procedure for enrollment of importers and local manufacturers of cigarette, heated tobacco products and vapor products with the Enhanced IRSIS
- Cut-off for processing orders of internal revenue stamps through the Enhanced IRSIS and approval thereof
- Each order of internal revenue stamp shall be approved by the BIR only if the excise tax due on the total number of internal revenue stamps ordered has been paid.
- After the approval of the order of internal revenue stamps and prior to its release, the price thereof shall be paid in the amount of Twenty Centavos per piece of internal revenue stamp.
- The internal revenue stamps shall be released and received personally by the authorized representatives of the importer or local manufacturer directly from the APO designated plant within 15 calendar days from the scheduled date of its release as indicated in the email notification.
- Authorized BIR personnel shall always be present to witness and monitor the actual release by APO of the internal revenue stamps.
- If the internal revenue stamps that are already in the possession of the local manufacturer become spoiled, damaged, or rendered unfit for affixture or found to be bad orders, they shall be surrendered to the BIR within 6 months from the date of release by APO.

- If the spoiled stamps and bad orders are in the possession of the importer, they shall be surrendered to the BIR within 10 months immediately after receipt from APO.
- All importations and removals from the place of production of cigarettes, heated tobacco products and vapor products shall be affixed with the internal revenue stamps prescribed by RR No. 18-2021.
- Product registration requirements, export compliance and supervisions by Revenue Officers on Premise (ROOP)
- Reporting requirements for importers and local manufacturers
- Destruction of spoiled, bad order and factory defected stamps
- Prohibition against possession and/or accumulation of previously affixed stamps or used packs/cartons of cigarettes, heated tobacco products and vapor products with stamps.

(Revenue Regulations No. 18-2021, published 14 September 2021)

Transition guide

Launching of the 3rd Generation Internal Revenue Stamps

The BIR issued the following schedule of guidelines to be observed during the transition period for the launching of the 3rd Generation Design of Internal Revenue Stamps in relation to the implementation of Revenue Regulations No. 18-2021:

Last day of ordering for the 2 nd Generation stamps	25 September 2021
Last day of approving the stamp orders	28 September 2021
Releasing of last stamp orders of 2 nd Generation stamps	10 October 2021 or 15 days from the BIR approval date of the stamp order
Period of suspension in placing stamp orders	26 September to 12 October 2021
First day of ordering the 3 rd Generation stamps	13 October 2021
Start of releasing stamp orders of 3 rd Generation stamps	29 October 2021 or 15 days from the BIR approval date of the stamp order
Last day of validity of 2 nd Generation stamps in the market (subject to extension, if warranted)	29 September 2021

Glossary

APO – APO Production Unit

Last day of validity of 2 nd Generation stamps for locally manufactured products	26 March 2022
Stamps released prior to 26 September 2021	Six months from date of release
Stamps released after 26 September 2021	
Last day of validity of 2 nd Generation stamps for imported products	26 May 2022
Stamps released prior to 26 September 2021	8 months from date of release
Stamps released after 26 September 2021	

(Revenue Memorandum Circular No. 102-2021, issued 23 September 2021)

VCAD closure

Extending the deadline for VAT refund applications to 15 October 2021

Considering the temporary closure of the VAT Credit Audit Division (VCAD) until 3 October 2021, the filing of VAT refund applications, where the two-year period within which to file the claim falls on 30 September 2021, shall be extended to 15 October 2021.

Furthermore, the 90-day period of processing of all VAT refund claims pending with the VCAD during the temporary closure is also suspended pursuant to Revenue Regulations No. 27-2020.

(Revenue Memorandum Circular No. 101-2021, issued 21 September 2021)

VAT-exempt products

BIR clarifications regarding VAT-exempt medicines, vaccines, and medical devices

The Bureau of Internal Revenue (BIR) clarified the following:

- The VAT exemption of the following products included in the consolidated list of VAT-Exempt Products submitted by the Food and Drug Administration (FDA) to the BIR took effect on the date of publication of said list by the FDA on 17 June 2021:

- medicines for diabetes, high cholesterol, hypertension, cancer, mental illness, tuberculosis, and kidney diseases;
- drugs and vaccines prescribed and directly used for COVID-19 treatment; and
- medical devices directly used for COVID-19 treatment.

- Only the medicines with the corresponding specified dosage strength, dosage form and route of administration included in the list of VAT-Exempt Products submitted by the FDA to the BIR shall be considered VAT-exempt.
- The consolidated list of VAT-Exempt Products which includes previously circularized lists in Revenue Memorandum Circular Nos. 4-2019, 62-2020, 101-2020 and 81-2021 is now the controlling list insofar as far as the VAT-exempt transactions under Sections 109(1)(AA) and 109(a)(BB)(ii) are concerned.
- Unutilized input VAT paid on local purchases and importations under Subsections 4.109-1(B)(aa)(ii) and 4.109-1(B)(bb) of RR No. 4-2021 from their specified effectivity under RA No. 11534 on 01 January 2021 until the effectivity of RR No. 4-2021 may be carried over or be charged as part of cost.

Input VAT directly attributable to goods now classified as VAT-exempt may be allowed as part of cost. On the other hand, only a ratable portion of input VAT not similarly attributable may be charged to cost.

- A VAT refund may be allowed only in cases where there is a change of status from VAT to non-VAT registration, under Section 112(B) of the Tax Code.
- RR No. 4-2021 should not be confused with RR No. 18-2020 because the latter was anchored on RA Nos. 10963 and 11467 while the former was issued to implement (RA No. 11534) the CREATE Act.
- The phrase “provided that the input tax on the imported items have not been reported as input tax credit in the monthly and/or quarterly VAT returns” found in Section 3 of RR No. 18-2020 was meant to ensure that the imported items have not been reported and claimed as input tax credit in the VAT returns for purposes of computing VAT payable. However, said importation may be reflected in the VAT returns under “Purchases not Qualified for Input Tax” to show the amount of purchases for the covered period.

Glossary

RA – Republic Act

RR – Revenue Regulations

VAT – Value-Added Tax

- If the input VAT on imported drugs or medicines has been claimed as input VAT credit in the VAT returns, it cannot be allowed for refund under Section 204(C) of the Tax Code.

(Revenue Memorandum Circular No. 99-2021, issued 1 September 2021)

Temporary convenience

Acceptance of out-of-district payments from taxpayers in ECQ and MECQ areas

In line with Revenue Memorandum Circular No. 91-2021, all Authorized Agent Banks (AABs) are advised to accept tax payments without the corresponding penalties from all taxpayers within the jurisdiction of areas under Enhanced Community Quarantine (ECQ) and Modified ECQ (MECQ) up to 15 calendar days after the date of lifting of the ECQ and/or MECQ. AABs shall also observe the work-around procedures provided in Bank Bulletin No. 10-2021.

(Bank Bulletin No. 12-2021, issued 10 September 2021)

Taxing POGOs

Enactment of the law taxing Philippine offshore gaming operations or POGOs

The President approved Republic Act (RA) No. 11590, entitled “an Act Taxing Philippine Offshore Gaming Operations,” which introduced new provisions to the National Internal Revenue Code of 1997 as regards the taxation of offshore gaming licensees, popularly known as Philippine offshore gaming operators (POGOs), and their service providers and alien employees.

Here are the salient features of RA No. 11590:

- An offshore gaming licensee is a POGO, whether organized abroad or in the Philippines, duly authorized and licensed by the Philippine Amusement and Gaming Corporation (PAGCOR) or special economic zone authority or tourism zone authority or freeport authority to conduct offshore gaming operations, including the acceptance of bets from offshore customers.
- The Aurora Pacific Economic Zone and Freeport Authority is not allowed to issue offshore gaming licenses. Existing licenses issued by it shall be transferred to, regulated, and monitored by the PAGCOR.

- An accredited service provider to a POGO shall be a juridical person, wherever created or organized, or a natural person, regardless of citizenship or residence, which provides ancillary services such as:
 - customer and technical relations and support
 - information technology
 - gaming software
 - data provisions
 - payment solutions
 - live studio and streaming services
- Tax regime of POGOs
 - Gaming revenues or receipts, or agreed predetermined minimum monthly gaming revenues or receipts, whichever is higher, are subject to a 5% gaming tax, in lieu of all other direct and indirect internal revenue taxes and local taxes
 - It must be paid on or before the 20th day following the end of each month.
 - The PAGCOR or special economic zone authority or tourism zone authority or freeport authority may impose regulatory fees.
 - Non-gaming revenues are subject to the 25% regular corporate income tax rate.
 - The sale of goods, property, and services to POGOs is subject to the VAT zero rate.
- Tax regime of service providers to POGOs
 - They are subject to the 25% regular corporate income tax rate. RA No. 11590 expressly provides that these service providers are not covered by the 5% gaming tax.
 - The sale of services to service providers to POGOs are subject to the VAT zero rate.
- Tax compliance requirements in relation to alien employees by POGOs and by service providers to POGOs
 - The gross income of alien employees are subject to a 25% final withholding tax (FWT).
 - The employer is required to remit a monthly minimum FWT of PHP12,500.00 per employee.

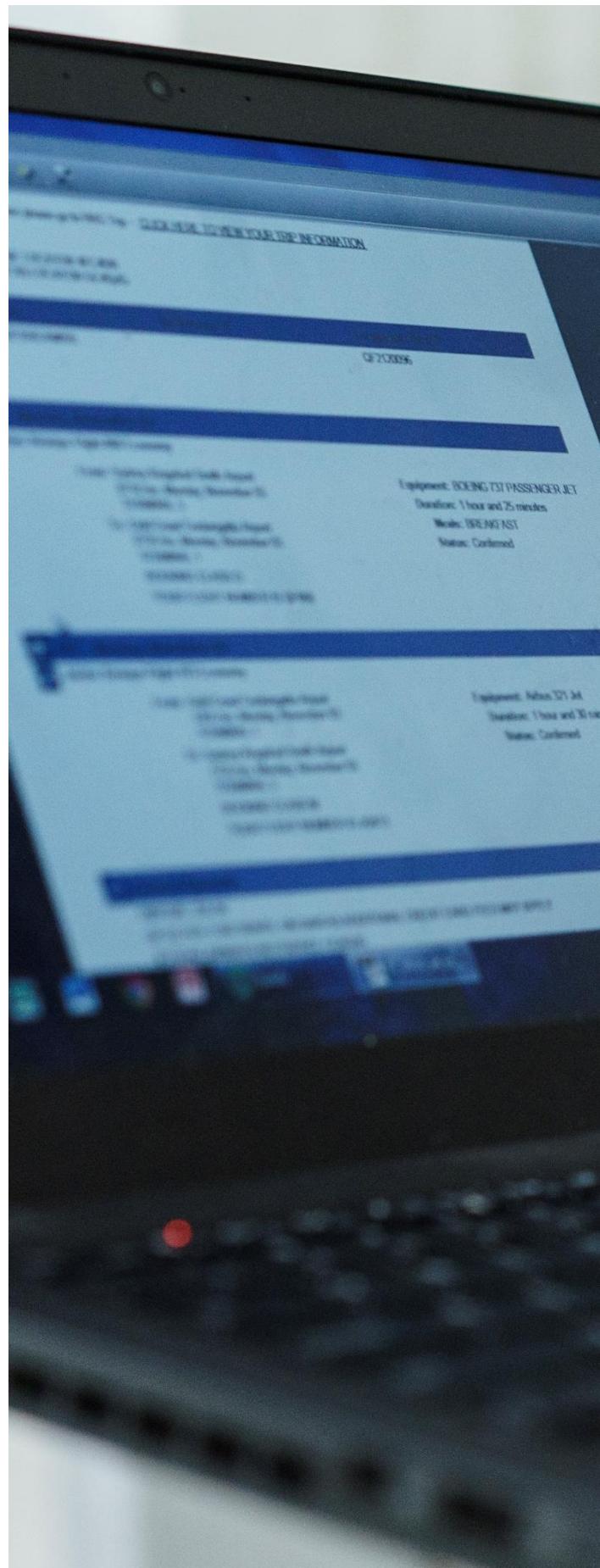
Glossary

VAT – Value-Added Tax

- The employer is required to submit to the Bureau of Internal Revenue an original copy of the notarized employment contract that clearly states the annual salary, benefits, and entitlements of the alien employee.
- Every alien employee must have a taxpayer identification number (TIN). POGOs and service providers to POGOs shall be liable to a fine of PHP20,000 per employee without TIN.
- Consequences of failure to withhold the 25% FWT
 - Deficiency tax assessments
 - Deportation of the alien employee and barring from re-entry into the Philippines
 - Blacklisting of the alien employee by the Department of Labor and Employment

Alien employees pertain to alien individuals who, regardless of residency, term, and class of working or employment permit or visa, are employed and assigned in the Philippines by POGO or service provider to a POGO.

(Republic Act No. 11590, approved 22 September 2021)



Latest on regulatory landscape

Online application

Implementing electronic Advance Ruling System for valuation and rules of origin

The Bureau of Customs (BOC) issued the electronic procedure in the implementation of the electronic Advance Ruling System (e-ARS) for Valuation and Rules of Origin under CAO No. 3-2016. The e-ARS is a web portal that allows the electronic submission of the application and supporting documents for advance ruling on valuation and rules of origin of shipments.

The administration of the e-ARS was divided among the following BOC offices:

1. Imports and Assessment Service – establishment and implementation of the e-ARS on valuation
2. Port Operations Service – establishment and implementation of the e-ARS on rules of origin
3. Management Information System and Technology Group – provision of full access, technical assistance, and training

The BOC procedure in CMO No. 32-2021 details the step-by-step process starting from accessing <https://ars.customs.gov.ph> where the application for valuation or rules of origin is accomplished up to the approval or denial of the application. The procedure also provides the available remedies in cases of denial.

(Customs Memorandum Order No. 32-2021, dated 10 September 2021)

eSPARC

How to file applications for registration of partnerships and foreign corporations

The Securities and Exchange Commission (SEC) announced that, starting 15 September 2021, the Company Registration System (CRS) will no longer accept and process applications for registration or licensing of partnerships and foreign corporations.

Glossary

CAO – Customs Administrative Order

CMO – Customs Memorandum Order

MORB – Manual of Regulations for Banks

MORNBF – Manual of Regulations for Non-Bank Financial Institutions

Such applications shall now be processed and approved for payment in the SEC Electronic Simplified Processing of Application for Registration of Company (eSPARC) which may be accessed at <https://secwebapps.sec.gov.ph/application>.

(SEC Notice, dated 14 September 2021)

OPS regulations

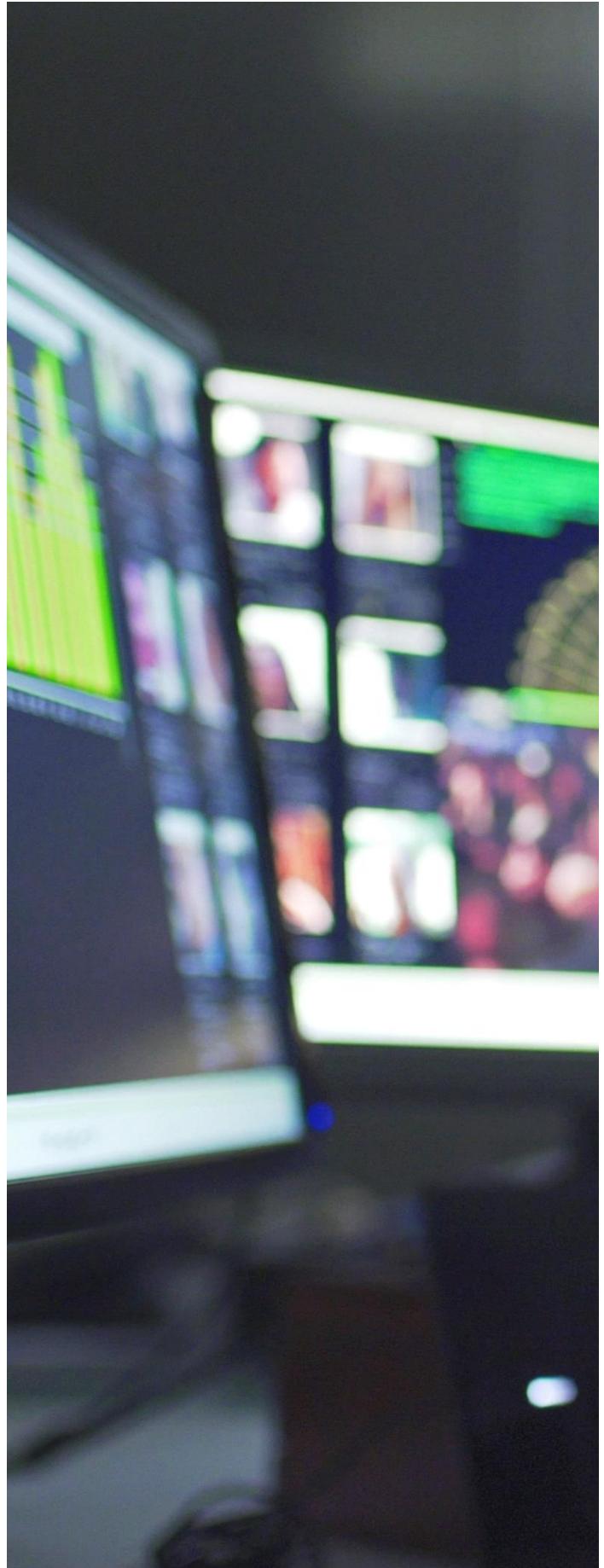
BSP governance guidelines for operators of payment system

The Monetary Board approved the governance guidelines for operators of a payment system (OPS). Accordingly, new Sections have been added to the Manual of Regulations for Payment Systems (MORPS) such as the following:

- The Bangko Sentral ng Pilipinas (BSP) adopts a governance policy aligned with the applicable Principles for Financial Market Infrastructures recommended by the Bank of International Settlements and the International Organization of Securities Commissions.
- Said governance policy covers all registered OPS including the BSP, being the operator of the real time gross settlement system. Other OPS include BSP-supervised financial institutions (BSFIs) and non-BSFIs such as cooperatives whose businesses are considered that of an OPS under BSP regulations.
- An OPS with concurrent licenses such as banking license or license to be a non-bank electronic money issuer (EMI-NBFI) shall adhere with the more stringent requirements between the OPS policy, and the MORB and MORNBF.
- An OPS whose head office or parent company is under the jurisdiction of a foreign regulator shall adhere with the more stringent requirements between the OPS policy and those prescribed by the foreign regulator.
- An OPS that is a BSFI, a cooperative, a local subsidiary or a branch of a foreign corporation, or a domestic corporation shall adopt an effective and documented governance structure that provides clear and direct lines of responsibility and accountability of the board of directors and senior management.

- Powers and composition of the board of directors (BOD) of an OPS that is a BSFI, a cooperative, a local subsidiary or a branch of a foreign corporation, or a domestic corporation
- Duties and responsibilities of the following:
 - Directors
 - Audit Committee
 - Corporate Governance Committee
 - Officers
- Risk Oversight Committee
- Persons permanently and temporarily disqualified from becoming directors/officers
- Persons prohibited from becoming officers
- Watchlist Files and procedures for delisting and reclassification
- Qualification as to the fitness and propriety of owners and officers
 - Probity, honesty, integrity, and good reputation
 - Competence and professional capability
 - Financial soundness and capacity
- An OPS organized as a sole proprietorship or a partnership shall institute sound governance, risk management, internal control, and compliance functions in conducting the business affairs of the OPS.
- Governance requirements applicable to Operators of a Designated Payment System

(BSP Circular No. 1127-2021, dated 17 September 2021)



Meet us

Alex Cabrera speaks on integrity in multi-sectoral forum on financial crime and prevention



PwC Philippines Chairman Emeritus and ESG Leader Alex Cabrera was one of the panelists in a virtual webinar on good governance organized by the Center of International Private Enterprise (CIPE) in partnership with Makati Business Club (MBC) and K2 Integrity held on 2 September via Zoom.

The virtual forum "Out of the Grey List: Meeting Global Standards Against Financial Crime and Corruption Prevention" is part of the Manila Webinar Series on Good Governance. Bangko Sentral ng Pilipinas Gov. Benjamin Diokno, as keynote speaker, discussed the Anti-Money Laundering Act, Terrorism Financing Prevention and Suspension Act and Anti-Terrorism Act. MBC Chair Edgardo Chua introduced Gov. Diokno.

Alex's co-panelists were Atty. Mel Georgie B. Racela (Executive Director, Anti-Money Laundering Council [Philippines FIU]), Mariano Federici (Managing Director, K2 Integrity) and Jose Arnulfo Veloso (President, Bankers Association of the Philippines). CIPE Director Frank Brown moderated the discussion that revolved around the work that needs to be done to address Financial Action Task Force's (FATF) current "grey listing" of the Philippines. As Chair of the Integrity Initiative, Alex briefly presented the organization's activities that promote integrity and ethical behavior in business and other sectors.

CIPE Executive Director Andrew Wilson gave the welcome remarks while CIPE Regional Director for Asia Pacific John Morrell provided the synthesis and closing remarks. Participants from the government, business, academe and civil society organizations fielded

questions about money laundering, bank secrecy law and corruption.

Catch the replay through this [link](#).

Despite lockdowns, resilient CEOs see stronger growth



Clockwise, from top left: Alex Cabrera, Rick Danao, Jade Divinagracia, Alma Rita Jimenez, Gigi Montinola and Fred Pascual.

PwC Philippines, as Knowledge Partner for the Management Association of the Philippines' (MAP) International CEO Web Conference, revealed the results of the PwC MAP 2021 Philippine CEO survey in a media briefing today.

Forty-two percent (42%) of the CEOs say that their average daily sales/revenues decline by at least 20% each time the country is placed under enhanced, modified enhanced or general community quarantine (ECQ/MECQ/GCQ). Nevertheless, 74% say that their revenues will grow in the next 12 months—higher than 63% as polled in April and May this year.

For the country's economy, the top key growth drivers for CEOs are infrastructure development (61%), domestic consumption (54%) and government spending (52%). Half of them think that the economy will recover after two to three years. The CEOs identified the slow vaccine rollout, political uncertainty and reliance on lockdowns as the major factors that may delay the Philippine economy's recovery.

PwC Philippines Chairman Emeritus and ESG Leader Alex Cabrera shares another key finding: "To support their businesses, the majority of the CEOs tapped external debt, and additional capital from both their personal funds and existing investors in the past year. Going forward, the majority of the CEOs still plan to tap external debt and/or equity to help their businesses.

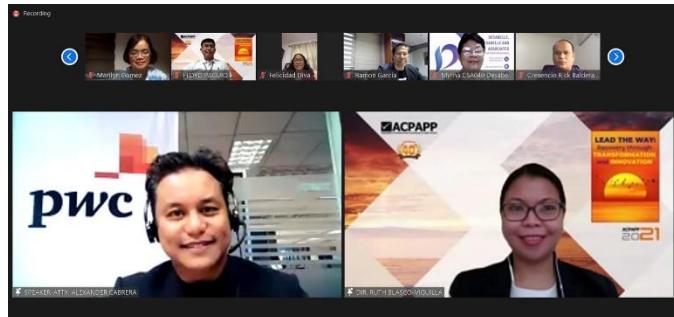
Despite the recent successful listings, only a few of the CEOs say that they'll raise capital through the capital markets. Accessing the capital markets may be challenging for certain companies unless they have shown resilience and growth during the pandemic."

MAP President Aurelio "Gigi" R. Montinola III acknowledges the significant role of the yearly survey. "The conversations that the survey brings during and after our conference energize the business community in planning for and transitioning to a new future. We want the delegates to look beyond information and to help shape the changing world order."

"The survey results provide the 178 CEOs' views for the conference that aims to be the springboard for taking the present pandemic discussion to the next level—The Future. In doing so, PwC illustrates its global strategy in the Philippines: The New Equation. This strategy responds to two major interconnected needs facing organizations: building trust and delivering sustained outcomes, in an environment where societal expectations have never been greater," PwC Philippines Chairman and Senior Partner Roderick Danao said.

Alfredo Pascual and Alma Rita Jimenez, Governor in-charge and Chair of the MAP CEO Conference Committee, respectively, sat as panelists during the media briefing. To know more about the survey, visit www.pwc.com/ph/ceosurvey (available starting 12:01am, 14 September).

Alex Cabrera talks about how incentives were "interrupted"



The Association of Certified Public Accountants in Public Practice (ACPAPP) featured PwC Philippines Chairman Emeritus and ESG Leader Alex Cabrera as the keynote speaker at its General Membership Meeting held 7 September 2021 through Zoom.

In his presentation entitled "Incentives interrupted", Alex discussed some provisions of the Tax Reform for Acceleration and Inclusion (TRAIN) and Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) laws on VAT exemption and custom duties, and the VAT zero-rating under Revenue Regulations 9-2021. He also gave his perspectives on the Telecommuting Act, also known as the work from home act for PEZA-registered enterprises.

ACPAPP President Wilfredo Baltazar welcomed the 250 participants while Emerald Bagnes, ACPAPP VP for Internal Affairs & Treasurer introduced Alex. The three-hour event was hosted and moderated by PwC Philippines Assurance Partner Ruth Blasco-Viguilla. ACPAPP Director Eric Tejada gave the closing remarks.

Alex Cabrera on opinions on SALNs for the Integrity Initiative



BUSINESS GROUPS STATEMENT ON CRIMINALIZING COMMENTARIES ON SALNs

We oppose the proposal to criminalize commenting on Statements of Assets and Liabilities (SALNs) of government officials, because it would violate our freedom of speech, a pillar of our democracy. We have libel and slander laws to deal with abuse of free speech. We do not need another law.

We also oppose the proposal because the SALN is part of a system of laws and institutions designed to promote integrity. The Ombudsman is part of that system and should be the first to insist on transparency.

PwC Philippines Chairman Emeritus and ESG Leader Alex Cabrera, in his capacity as Chairman of the Integrity Initiative, said in a joint statement that criminalizing opinions on SALNs goes against the freedom of speech, which is a "pillar of our democracy." He is quoted in a recent [article](#) published in BusinessMirror.

To read the joint statement by the Financial Executives Institute of the Philippines (FINEX), the Integrity Initiative, the Judicial Reform Initiative, and the Makati Business Club, click [here](#).

CEO survey findings by Jade Divinagracia on CNN Philippines



CNN Philippines news anchor Rico Hizon, on his program "The Final Word", interviewed PwC Philippines Deals & Corporate Finance Managing Partner and Vice Chair of the MAP Ease of Doing Business committee Mary Jade T. Roxas-Divinagracia. They discussed the PwC MAP CEO Survey 2021 finding where the majority of the country's top executives are optimistic about the country's growth prospects in the coming months.

To watch the replay, click [here](#).

Gett Apostol speaks on data privacy in a podcast for law students



PwC Philippines Assurance Partner Gett Apostol, in her capacity as the firm's Data Privacy Officer, was a panelist in the "Legal Aid On-Air: Legally Blunt Podcast" organized by The Center for Legal Education and Legal Aid Services (CCLELAS) of University of Makati (UMak) on 19 September. It aired on UMak's School of Law

Government Facebook Page with law students as its live audience.

She guested on the episode "Satin-satin Lang... Promise?" where legal issues are discussed in a fun and conversational way. She talked about how the firm handles data and information gathered from clients and staff, and the Data Privacy Act.

Catch the replay through this [link](#).

The importance of investing in early-stage enterprises

PwC Philippines Chairman Emeritus and ESG Leader Alexander Cabrera was a featured speaker in the Impact Pioneers Network's session for its members on the impact of investing in early-stage enterprises held on 21 September.

In the two-hour Zoom event, Alex presented key trends in the Philippine startup ecosystem, which was part of the PwC Philippines Startup Survey conducted in 2020. He discussed the local investment landscape and how it is faring against other Southeast Asian countries, including a number of successful startup companies that addressed the needs during the pandemic. Alex shared that tech startups need to invest in ESG, especially in governance and they should not only focus on improving their product but also have a great desire to manage risk and deliver on their promises.



During the Q&A, he said that a lot can be done to address the education crisis—how to develop the students to match future industry needs, and the mental issues that they currently face. He noted that if deep tech can be developed locally for health apps, it will greatly come into play when going regional. He added that investors, creativity, sensitivity on what will work in the region and the diversity of entrepreneurs are all important to achieve that regional flavor.

Assurance leaders headline PICPA joint summit for SMEs

PwC Philippines Assurance leaders were featured in the **Joint Summit on Best Practices in Audit Documentation of Micro, Small and Medium-sized Entities (SMEs)** webinar held from 23 to 25 September on Zoom.

The PICPA Metro Manila Geographical Area Office (MM GAO), Metro Manila Region (MMR) and Southern Metro Manila Chapter (SMMC) organized the three-day virtual event. There were six webinar modules that earned for each participant 1.5 CPD units per module.



Geraldine "Gett" Apostol



Carlos Federico "DC" de Guzman

On Day 1, Assurance Partner Geraldine "Gett" Apostol, who chairs the MMR Council, delivered the opening remarks. Assurance Partner Carlos Federico De Guzman, as the speaker for the morning session, discussed the topic "Leadership and Quality Management".

For the Day 2 afternoon session, Assurance Director Vergel Pabillon, Jr. spoke on the topic "People and IT Management".



Vergel Pabillon, Jr.



Jocelyn "Apple" de Chavez

On Day 3, Gett presented the MMR and GAO's Report for the first quarter of FY 2021-2022.



Coco Echavez

For the "Evaluating Misstatements" session

on Day 3, Assurance Partner and MMR QAR Committee Chair Jocelyn "Apple" de Chavez moderated the Q&A. She also emceed the day's afternoon session. Assurance Director Ma. Corazon "Coco" Echavez who co-chairs the MMR QAR Committee then awarded the Certificate of Appreciation and token to the speaker of the said session.

Alex Cabrera helps select top LGU programs



PwC Philippines Chairman Emeritus and ESG Leader Alex Cabrera is a member of the National Selection Committee of the 2021 Galing Pook Awards. Judging and interviews were held from 27 to 29 September through Zoom.

Twenty-two (22) programs emerged as [finalists](#) after the selection committee assessed the entries based on these criteria: excellence, innovation, sustainability, citizen participation and empowerment in the midst of the COVID-19 pandemic.

The awarding of the Ten Outstanding Local Governance Programs was held on 20 October (Wednesday).

The Galing Pook Awards 2021 is presented in partnership with the Department of Interior and Local Government – Local Government Academy and SM Prime Holdings.



Talk to us

For further discussion on the contents of this issue of the **Client Advisory Letter**, please contact any of our partners.

For tax and related regulatory matters



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