



SEPTEMBER 29, 2021

FOREIGN CHAMBERS CALL FOR SENATE ACTION ON EASE OF PAYING TAXES BILL

In a letter recently sent to the Senate Ways and Means Committee, the Joint Foreign Chambers (JFC) requested for the Senate to deliberate on House Bill 8942 or the proposed Ease of Paying Taxes Act.

HB 8942 has been approved by the lower house on third and final reading on September 15 and transmitted to the Senate on September 16.

According to the JFC, enactment of the legislation could improve the Philippine ranking in the World Bank's annual Doing Business global index of 190 countries, much studied by foreign investors when considering where to invest. In 2020 the Philippines ranked 95th, while Indonesia ranked 69th, Vietnam, 70th, Thailand, 21st, Malaysia, 12th and Singapore, 2nd.

This ranking includes "paying taxes" as an indicator, which measures "payments, time, and total tax and contribution rate for a firm to comply with all tax regulations as well as postfiling processes." "We are certain that ending being the only country to require an OR and not accept the invoice is a positive step. If other countries that are ranked higher than the Philippines do not require this extra paperwork, then it is common sense to remove the requirement as soon as possible," the letter stated.

The proposed reform was widely supported and welcomed by stakeholders, both government and private sector during the House hearing. In an early March 2021 meeting with DOF Secretary Dominguez with the foreign chambers, he endorsed the bill by commenting "I am in favor of anything that makes it easier to pay taxes." The JFC agrees with the secretary.

During this unprecedented time of the COVID-19 pandemic, when circumstances for taxpayers - be they corporate or individual - are very difficult, government should be creative and innovative in collecting revenue for our fight against the virus, but at the same time government should facilitate compliance by taxpayers.

The JFC previously sent a request to House Speaker Lord Allan Velasco supporting the approval of HB 8942.

Approved by the following:

American Chamber of Commerce of the Philippines
Australian-New Zealand Commerce of the Philippines
Canadian Chamber of Commerce of the Philippines
European Chamber of Commerce of the Philippines
Japanese Chamber of Commerce & Industry of the Philippines
Korean Chamber of Commerce of the Philippines
Philippine Association of Multinational Companies Regional Headquarters, Inc.