



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
**FISCAL INCENTIVES REVIEW BOARD**  
MANILA

**FIRB Resolution No. 017- 22**

21 June 2022

**WHEREAS**, Fiscal Incentives Review Board (FIRB) Resolution No. 19-21, which allowed registered business enterprises (RBEs) in the Information Technology—Business Process Management (IT-BPM) sector to adopt work-from-home (WFH) arrangements, ended on 31 March 2022;

**WHEREAS**, Philippine Economic Zone Authority (PEZA), in its letter dated 24 January 2022, requested the FIRB to allow its RBEs in the IT-BPM sector to adopt a WFH arrangement without the 10% onsite capacity requirement until 12 September 2022 or until the subsistence of the State of Calamity as prescribed under Proclamation No. 1218, s.2021, which was denied under FIRB Resolution No. 003-22;

**WHEREAS**, PEZA issued PEZA Board Resolution (BR) No. 22-052 dated 06 April 2022, which allowed all kinds of RBEs to adopt a WFH arrangement not exceeding thirty percent (30%) of the total workforce of an RBE;

**WHEREAS**, the Bureau of Internal Revenue posited that the WFH arrangement under PEZA BR No. 22-052 had no basis in law even before the passage of the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act and that none of the provisions under the PEZA Law, Presidential Decree No, 66, and Executive Order No. 266 provide for any WFH incentives or allow employees to work outside the ecozone or freeport;

**WHEREAS**, the 70% threshold is an export requirement, while the remaining 30% that may be allotted to local sales has nothing to do with operating outside the economic or freeport zones and, as such, does not give the RBE the authority to operate outside the zone;

**WHEREAS**, FIRB Resolution No. 19-21 only applies to RBEs in the IT-BPM sector, while Section 309 of the National Internal Revenue Code of 1997, as amended, applies to all RBEs located inside an economic or freeport zone;

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Grant of authority to implement a 70:30 WFH arrangement

**WHEREAS**, Rule 23, Section 2 of the CREATE Act Implementing Rules and Regulations (IRR) allows for the implementation of temporary measures by investment promotion agencies (IPAs) upon the approval of the FIRB in the event of an exceptional circumstance such as a pandemic, subject to the approval of the FIRB;

**WHEREAS**, *Presidential Proclamation No. 1218, s. 2021* further extended the existing State of Calamity due to the COVID-19 virus throughout the Philippines for a period of one (1) year, from 13 September 2021 to 12 September 2022, unless earlier lifted or extended as circumstances may warrant;

**WHEREAS**, the FIRB recognizes the contribution of the IT-BPM sector as a key employment generator in the country, and that the adoption of WFH arrangements in that sector has contributed to the creation and preservation of jobs during the pandemic;

**NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that as a temporary measure under Rule 23 of the CREATE Act IRR, RBEs of the IT-BPM sector may be allowed by their respective IPAs to continue implementing WFH arrangements without adversely affecting their fiscal incentives under the CREATE Act **from 1 April 2022 until 12 September 2022 only**.

**RESOLVED, FURTHER**, the number of employees under a WFH arrangement shall not exceed thirty percent (30%) of the total workforce of the RBE, while the remaining seventy percent (70%) of the total workforce shall render work or service within the geographical boundaries of the ecozone or freeport zone being administered by the IPA with which the project/activity is registered; *Provided*, That the total workforce shall refer to the total employees that are directly or indirectly engaged in the registered project or activity of the RBE, but excludes third-party contractors rendering janitorial or security services and other similar services.

**RESOLVED, FURTHER**, RBEs in the IT-BPM sector adopting a WFH arrangement exceeding the thirty percent (30%) threshold shall not be entitled to avail of fiscal and non-fiscal incentives for the said month/s of non-compliance.



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**RESOLVED, FURTHER,** the 70:30 WFH arrangement is a temporary measure under Rule 23 of the CREATE Act IRR implemented in view of Proclamation No. 1218, s.2021.

**RESOLVED, FINALLY,** that RBEs of the IT-BPM sector, as used herein, refer only to those providing services in line with the Strategic Investment Priority Plan;

This *Resolution* may be signed in any number of counterparts, each of which, when duly executed and sent by facsimile or electronic transmission to the Secretariat, shall be valid and effectual as if executed as an original, but all the counterparts (including those sent by way of facsimile or electronic transmission) shall together constitute one and the same document.

Adopted by the Board in its meeting on 21 June 2022, where a quorum was present.



**TINA ROSE MARIE L. CANDIA**

Officer-in-Charge and Undersecretary of Budget and Management

**KARL KENDRICK T. CHUA**

Secretary of National Economic and Development Authority

**LORAJEAN A. ALAMIN**

Assistant Executive Secretary



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**RAMON M. LOPEZ**

Co-Chairperson and Secretary of Trade and Industry



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**CARLOS G. DOMINGUEZ**

Chairperson and Secretary of Finance

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