



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

FIRB Resolution No. 19 - 21

August 2, 2021

WHEREAS, Section 2 of Republic Act (RA) No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises Act" or CREATE provides that the State shall, among others, (1) provide support to businesses in their recovery from unforeseen events such as an outbreak of communicable diseases or a global pandemic and strengthen the nation's capability for similar circumstances in the future and (2) create a more equitable tax incentive system that will allow for inclusive growth and generation of jobs and opportunities in all the regions of the country;

WHEREAS, Rule 23 (Temporary Measures) of the Implementing Rules and Regulations of CREATE allows for the implementation of reasonable measures to support the recovery of Registered Business Enterprises (RBEs) from exceptional circumstances such as a pandemic, subject to Fiscal Incentives Review Board (FIRB) approval;

WHEREAS, to promote the welfare of employees, RA No. 11165, otherwise known as the *Telecommuting Act*, institutionalized telecommuting as an alternative work arrangement whereby an employee in the private sector may work from an alternative workplace with the use of telecommunication and/or computer technologies;

WHEREAS, the Department of Information and Communications Technology noted that the demand for connectivity arising from Work-From-Home (WFH) arrangements has led to the more equitable distribution of bandwidth across the country, such that it is no longer just focused on the central business districts, thereby making internet access more widely available;

WHEREAS, the Department of Labor and Employment affirms that the Information Technology – Business Process Management (IT-BPM) sector is one of the key employment generators 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;

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WHEREAS, the Inter-Agency Task Force for the Management of Emerging Infectious Diseases adopts WFH as an alternative working arrangement in its community quarantine protocols, and as part of its recovery management efforts in its response against the COVID 19 pandemic, which has proven to be a working model to limit the mobility of workers without affecting the output through technology, and lessen the pressure on public transport;

NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that as a temporary measure under Rule 23 of the CREATE IRR, RBEs of the IT-BPM sector may continue implementing WFH arrangements without adversely affecting their fiscal incentives under CREATE until 31 March 2022;

RESOLVED, FURTHER, that RBEs of the IT-BPM sector covered by this temporary measure must satisfy all of the following conditions to maintain their incentives and/or the period of availment:

- a. The number of employees under a WFH arrangement shall not exceed ninety percent (90%) of the total workforce of the RBE; *Provided*, That beginning 01 January 2022, the ceiling shall be reduced to seventy-five percent (75%) for the remainder of the period of this temporary measure; *Provided further*, that if the State of Calamity due to COVID-19 is extended to any date beyond 01 January 2022, the ceiling shall be maintained at ninety percent (90%) until 31 March 2022;
- b. The number of laptops/other equipment of the RBE outside the ecozone should not exceed the number of its employees who are under WFH arrangement;
- c. Bonds shall be posted for all equipment (e.g. desktops and laptops) deployed by the RBE to their employees' homes, to ensure payment of taxes and duties if any such equipment is not returned to the site of the RBE after the WFH arrangement;
- d. Revenues from export as required shall be maintained regardless of the allowed ratio of employees who will work from home. *Provided*, *That* the current number of employees shall not be reduced regardless if the majority of their employees are working from home; and
- e. The RBE shall comply with reportorial requirements and site inspections, as may be required by the FIRB or IPA;



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

This resolution was adopted by the Board in its meeting on 2 August 2021 where a quorum was present.


CARLOS G. DOMINGUEZ
Secretary of Finance
Chairperson






RAMON M. LOPEZ
Secretary of Trade and Industry
Co-Chairperson *or*


MICHAEL P. ONG

Senior Deputy Executive Secretary




TINA ROSE MARIE L. CANDA
OIC and Undersecretary of Budget
and Management


KARL KENDRICK T. CHUA


Socioeconomic Planning Secretary