



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

MEMORANDUM

- FOR** : All Heads of Investment Promotion Agencies and Registered Business Enterprises in the Information Technology – Business Process Management Sector
- SUBJECT** : Supplemental guidelines for the posting of bond as one of the conditions prescribed under Fiscal Incentives Review Board (FIRB) Resolution No. 19-21 and its Guidelines on the work-from-home (WFH) arrangement for Registered Business Enterprises (RBEs) in the Information Technology – Business Process Management (IT-BPM) sector

This memorandum is issued with reference to the implementation of the work-from-home (WFH) arrangement for employees of registered IT-BPM enterprises under FIRB Resolution 19-21 and its Guidelines¹.

FIRB Resolution 19-21 authorizes registered enterprises in the IT-BPM sector to bring out their equipment and other assets from economic zone or freeport to their employees' homes, conditioned upon the posting of a bond by the RBE covering 150% of the amount of VAT and duties (if imported), and VAT (if locally sourced) on all equipment (e.g., desktops and laptops) and other assets. This is to ensure the payment of VAT and duties if such equipment are not returned to the site of the RBE in the economic zone or freeport after the WFH arrangement.

In this regard, registered enterprises are required to follow the procedures identified herein to facilitate the posting of bond for the deployment of equipment and other assets previously imported without payment of VAT and duties, or purchased locally without payment of VAT, from the economic zone or freeport to RBEs employees' homes and the subsequent liquidation of the bond.

¹ Issued on 2 August 2021 and 9 September 2021, respectively, which allowed employees of RBEs in the IT-BPM sector to avail of the work-from-home arrangement.

A. Posting of bond

1. At least fifteen (15) days before the intended date of removal of the equipment and other assets, the RBE shall file a goods declaration under the informal entry process with the required documents in the Collection District of the Bureau of Customs (BOC) that has jurisdiction over the pertinent economic zone or freeport.
2. The documentary requirements are as follows:
 - a. Endorsement from the Investment Promotion Agency;
 - b. Completely filled-out Informal Declaration and Entry (IDE) BC Form No. 177; and
 - c. List of equipment and other assets with descriptions (See Annex A).
3. The BOC shall conduct a 100% physical examination of the goods against the details in the Goods Declaration to ensure that the equipment and other assets to be brought outside the economic zone or freeport are properly declared and assessed the duties and taxes due thereon.
4. The RBE shall post a bond covering 150% of the assessed duties and taxes. The Bond shall be deemed a re-export bond and not merely posted as a guarantee for the transport of the equipment and other assets from the economic zone or freeport to the residence of employees and vice versa.
5. Only surety companies granted Authority to Transact Business as Surety Company (ATBAS) by the BOC shall be allowed to issue surety bonds.²

B. Cancellation or forfeiture of bond

1. Upon return of the equipment and other assets to the economic zone or freeport at any time but not later than the next working day after the expiration of the WFH arrangement, the RBE must submit to the BOC a request for the liquidation of Informal Entry and cancellation of the bond. The request must include a list of all equipment and other assets returned to the economic zone or freeport.
2. When all the equipment and assets brought outside of the economic zone or freeport are completely returned, the BOC will cancel the bond. Otherwise, the BOC shall cause the issuance of a demand letter addressed

² Section 8, Customs Administrative Order 01-2021.



to the RBE and surety company. Upon failure to settle the bonded obligations within fifteen (15) days from the issuance of a demand letter, the BOC shall recommend the issuance of Order of Forfeiture of the Bond.

3. In cases where the equipment and assets are returned to the economic or free port zones before the termination of the WFH arrangement and the **corresponding Goods Declaration have been liquidated and the bonds cancelled, the same** equipment and assets shall no longer be allowed to be brought out of the Zone, unless a new Goods Declaration has been filed and a new re-export bond posted.

C. Transitory Provision

These guidelines will apply to all RBEs of the IT-BPM sector that will adopt the WFH arrangement under FIRB Resolution 19-21. The RBEs that are already adopting the WFH arrangement with valid bond to cover 150% of the amount of VAT and duties (if imported) and VAT (if locally sourced) on all equipment (e.g., desktops and laptops) and other assets shall continue to be effective. However, RBEs which posted a bond covering less than 150% of the amount of VAT and duties (if imported) and VAT (if locally sourced) shall post an additional bond to meet the requirement under FIRB Resolution 19-21.

The BOC may issue necessary guidelines to implement this Memorandum effectively.

For strict compliance.


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Secretary of Finance and
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OCT 27 2021

