



# PHILIPPINE ECONOMIC ZONE AUTHORITY

MEMORANDUM CIRCULAR NO. 2021-049

TO : ALL CONCERNED ECOZONE ENTERPRISES / NEW APPLICANTS  
ALL PEZA ZONE ADMINISTRATORS / ZONE MANAGERS/ OICs

FROM : BGen CHARITO B. PLAZA MNSA, PhD  
Director General

DATE : 06 September 2021

SUBJECT : FIRB RESOLUTION NO. 19-21 (EXTENSION OF WORK FROM HOME (WFH) ARRANGEMENT UNTIL 31 MARCH 2022)

The Fiscal Incentives Review Board (FIRB) under Resolution No. 19-21 dated 02 August 2021, approved the extension of the Work from Home (WFH) Arrangement for Information Technology – Business Process Management (IT-BPM) registered enterprises until **31 March 2022**, as a temporary measure under Rule 23 of R.A. No. 11534 of the CREATE IRR.

However, instead of revenue, the resolution states that the threshold shall now apply to the total workforce under the following conditions:

1. The WFH arrangement is extended without adverse effect on the incentives of registered enterprises until **31 March 2022**.
2. From **13 September 2021 to 31 December 2021**, the total number of employees under WFH arrangement **shall not exceed ninety percent (90%)**. For PEZA-registered IT Enterprises, this shall be on a per site/location basis.
3. **Beginning 01 January 2022**, the total number of employees under WFH arrangement **shall not exceed seventy-five (75%)**.
4. Should the State of Calamity under Presidential Proclamation No. 1021 is extended beyond **01 January 2022**, the threshold shall be maintained at **ninety percent (90%) until 31 March 2022**.
5. Revenue from export shall be maintained and there shall be no reduction of workforce despite majority of employees under WFH Arrangement.

In view of the foregoing, PEZA MC No. 2021-004 dated 08 January 2021 is hereby extended until 31 March 2022 to align with the resolution of the FIRB. Registered enterprises shall continue to comply with the conditions/requirements under MC No. 2021-004 in addition to the conditions imposed under FIRB Resolution No. 19-21 dated 02 August 2021

Attached herewith is a copy of FIRB Resolution No. 19-21 dated 02 August 2021.

For your guidance and strict compliance.

NBT/rvss

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PEZA - DIS



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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;



**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

