



Republic of the Philippines

PHILIPPINE ECONOMIC ZONE AUTHORITY

MEMORANDUM CIRCULAR NO. 2024 - 048

FOR : ALL PEZA-REGISTERED BUSINESS ENTERPRISES (RBEs)
ALL ZONE ADMINISTRATORS / ZONE MANAGERS (ZMs) / ACTING ZMs

FROM : TERESO O. PANGA
Director General

DATE : 28 October 2024

SUBJECT : FIRB ADVISORY NO. 006-2024 - INTERIM GUIDELINES ON THE
SUBMISSION OF THE EMPLOYMENT AND COMPENSATION DATA
IN THE ANNUAL BENEFITS REPORT (ABR) COVERING TY 2024

Please be informed that the Fiscal Incentives Review Board (FIRB) issued FIRB Advisory No. 006-2024 dated 07 October 2024 on the Interim Guidelines on the Submission of the Employment and Compensation Data in the Annual Benefits Report (ABR) covering the taxable year 2024.

Under Section 305 of the Tax Code, as amended, all RBEs entitled to tax incentives shall submit their Annual Tax Incentives Report (ATIR) and ABR to their respective Investment Promotion Agencies (IPAs) within thirty (30) calendar days from the statutory deadline for filing tax returns and payment of taxes.

The employment and compensation data in the ABR should be reported on a calendar year basis. However, some RBEs that operate on a fiscal year accounting period may not have their employment and compensation data available by the submission deadline for the ATIR and ABR. Hence, these RBEs may tentatively report their most recent available employment and compensation data, which can be based on one of the following as far as practicable:

- The period covering the **start and end of the RBEs' fiscal year** (e.g., April 2023 to March 2024); or
- The period covering the **calendar year from January 2023 to December 2023**

The mode of submission of the ABR will still be in accordance with FIRB Memorandum Circular (MC) No. 001-2024 dated 27 March 2024, PEZA Memorandum Circular No. 2024-019 dated 29 April 2024, and PEZA Memorandum Circular No. 2024-042 dated 17 September 2024.

Attached herewith is a copy of FIRB Advisory No. 006-2024 for reference. Should you have further questions or clarifications, please coordinate with the Enterprise Services Division (ESD) at esd@peza.gov.ph or timta@peza.gov.ph and telephone nos. (02) 8551-3451 loc. 423, 424, 427, 428, and 429.

For your guidance and strict compliance.

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1515-2024-00103



FIRB Advisory No. 006-2024

FOR : All Investment Promotion Agencies (IPAs), Registered Business Enterprises (RBEs), and all other key stakeholders

SUBJECT : Interim guidelines on the submission of the employment and compensation data in the Annual Benefits Report (ABR)

DATE : 07 October 2024

This Advisory is issued to provide interim guidelines on the submission process of the employment and compensation data in the ABR covering the taxable year 2024.

Under Section 305 of the Tax Code, as amended, all RBEs entitled to tax incentives shall submit their Annual Tax Incentives Report (ATIR) and ABR to their respective IPAs within thirty (30) calendar days from the statutory deadline for filing tax returns and payment of taxes.

The employment and compensation data in the ABR should be reported on a calendar year basis. However, some RBEs that operate on a fiscal year accounting period may not have their employment and compensation data available by the submission deadline for the ATIR and ABR. Hence, these **RBEs may tentatively report their most recent available employment and compensation data**, which can be based on one of the following as far as practicable:

- The period covering the **start and end of the RBEs' fiscal year** (e.g., April 2023 to March 2024); or
- The period covering the calendar year from **January 2023 to December 2023**.

The mode of submission of the ABR will still be in accordance with the Fiscal Incentives Review Board (FIRB) Memorandum Circular (MC) No. 001-2024, dated 27 March 2024.

For guidance, attached as **Annex A** hereof are the guidelines (in a question and answer format) on the interim submission of the employment and compensation data in the ABR.

These interim guidelines are in place while awaiting the enhanced Fiscal Incentives Registration and Monitoring System (FIRMS) deployment. As the FIRMS undergoes development and enhancements to improve the ABR submission process, these interim guidelines provide RBEs with a clear process to follow for compliance in the meantime. Once the enhanced FIRMS is operational, more efficient procedures will replace these guidelines, offering a more streamlined submission process.

Finally, we encourage all concerned stakeholders to monitor the FIRB website and the official IPA and FIRB correspondences for any updates or advisories regarding the operational status of the FIRMS.

For further questions, kindly reach out to your designated IPAs. Alternatively, the FIRB Secretariat's Monitoring and Evaluation Group (FIRB MEG) can assist you with any inquiries or clarifications. They may be contacted at 5317-6363, local 6652, or through email at firbmeg@ntrc.gov.ph.

Your continued support and collaboration are highly appreciated.

Thank you.


ATTY. DAKILA ELTEEN M. NAPAO
Assistant Secretary of Finance and
Head of the FIRB Secretariat



ANNEX A
**Interim Guidelines on the submission of the employment
and compensation data in the ABR**

Q.1. What is the prescribed deadline for the ABR?

The prescribed deadline for the ABR is outlined in Section 2, Rule 11 of the Implementing Rules and Regulations (IRR) of the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act. According to this provision, all RBEs entitled to tax incentives shall submit their ATIR and **ABR** to their respective IPAs **within thirty (30) calendar days from the statutory deadline for filing tax returns and payment of taxes.**

Q.2. What is the coverage period for the employment and compensation data that needs to be reported by the RBEs?

The ABR must include employment and compensation data for RBEs **for the relevant calendar year.** For instance, the ABR covering taxable year 2024 should provide data covering the period from 01 January 2024 to 31 December 2024.

Q.3. For RBEs whose employment and compensation data is not yet available by the time the ABR is due, what period of the ABR will they submit?

RBEs shall tentatively report their latest available employment and compensation data, which may be based on either:

- The period covering the **start and end of the RBEs' fiscal year** (e.g., April 2023 to March 2024); or
- The period covering the calendar year from **January 2023 to December 2023.**

Q.4. Will RBEs be required to continue submitting their employment and compensation data using this process in the succeeding years?

No. This process will only apply to the ABR covering the taxable year 2024 for the time being, as we work on enhancing the FIRMS. A separate advisory will be released once these system enhancements are implemented.

Q.5. Will RBEs be given the opportunity to adjust their employee data if it does not accurately reflect the correct data for the reporting period?

Yes. By the first quarter of 2025, the FIRMS will prompt RBEs to update their reported employment and compensation data to ensure it reflects the full calendar year from January 2024 to December 2024. However, the original submission date for these RBEs will remain unchanged.

Q.6. Will RBEs that have already submitted their ABR for the taxable year 2024 and are not compliant with the interim guidelines be required to amend and resubmit their previously submitted ABR?

No. RBEs, who have already submitted their ABR before the issuance of this advisory and are not compliant with the interim guidelines, are not required to amend or resubmit their ABR data to comply with the guidelines. Amendments to their ABR data will be made in the first quarter of 2025, reflecting the full calendar year from January 2024 to December 2024.

Q.7. How will IPAs determine the ATIR and ABR compliance for the taxable year 2024?

For submissions for the taxable year 2024 and before the availability of the enhanced module, IPAs will acknowledge the initial submission date of **a complete and accurate ATIR and ABR** for compliance timeline purposes. This is contingent upon RBEs submitting their updated employment and compensation data in the ABR by the first quarter of 2025, ensuring it accurately reflects the calendar year 2024.

Please note that the submission of incomplete and inaccurate ATIR and ABR within the prescribed deadline may still be considered non-compliance, subject to the applicable penalties under Section 308 of the Tax Code, as amended. This may also serve as a ground for the cancellation, suspension or withdrawal of incentives under FIRB Administrative Order No. 004-2023, dated 02 May 2023.