



Client Bulletin No. 21 (Updates on COVID-19 related PH Issuances):
**More businesses entitled to a grace period on lease rentals;
New BIR guidelines for June 14 tax payments**

This is a briefing on the issuances as of June 6, 2020 on the following matters in relation to the COVID-19 pandemic:

A. [Businesses Not Allowed to Operate during the ECQ and MECQ are Now Entitled to a Grace Period on Commercial Lease Rentals](#)

(See DTI Memorandum Circular No. 20-29 dated June 2, 2020, https://dtiwebfiles.s3-ap-southeast-1.amazonaws.com/COVID19Resources/COVID-19+Advisories/020620_MC2029.pdf; DTI Memorandum Circular No. 20-30 dated June 2, 2020, https://dtiwebfiles.s3-ap-southeast-1.amazonaws.com/COVID19Resources/COVID-19+Advisories/020620_MC2030.pdf)

B. [Additional Guidelines issued by the Bureau of Internal Revenue \(BIR\) for the Tax Payments due on June 14](#)

(Revenue Memorandum Circular No. 56-2020 dated May 26, 2020, https://www.bir.gov.ph/images/bir_files/internal_communications_2/RMCs/2020%20RMCs/RMC%20No.%2056-2020.pdf; Revenue Memorandum Circular No. 49-2020 dated May 22, 2020, https://www.bir.gov.ph/images/bir_files/internal_communications_1/Advisory/posted%20during%20quarantine%20march%202020/RMC%20No.%2049-2020.pdf)

C. [BIR Guidelines on How to Withdraw a Protest or Appeal Electronically to Avail of Tax Amnesty until June 15](#)

(Revenue Memorandum Circular No. 52-2020 dated May 27, 2020, https://www.bir.gov.ph/images/bir_files/internal_communications_1/Advisory/posted%20during%20quarantine%20march%202020/RMC%20No.%2052-2020.pdf)

D. [Court Hearings via Videoconferencing to Continue During GCQ](#)

(Supreme Court Announcement dated May 31, 2020, <http://sc.judiciary.gov.ph/11536/>; Office of the Court Administrator Circular No. 100-2020 dated June 3, 2020; <http://sc.judiciary.gov.ph/11587/>)

E. [Online Applications with the Company Registration and Monitoring Department \(CRMD\) of the Securities and Exchange Commission \(SEC\)](#)

(SEC Notice dated June 3, 2020, http://www.sec.gov.ph/wp-content/uploads/2020/06/2020NOTICE_GCQ-CRMD.pdf)

A. Businesses Not Allowed to Operate during the ECQ and MECQ are Now Entitled to a Grace Period on Commercial Lease Rentals

1. The Department of Trade and Industry (DTI) has issued *Memorandum Circular No. 20-29 (Supplemental Guidelines on the Concessions on Residential Rents and Commercial Rents)* dated June 2, 2020¹ amending *Memorandum Circular No. 20-12*² on the mandatory 30-day grace period for residential and commercial rents falling due within Enhanced Community Quarantine (ECQ), Modified Enhanced Community Quarantine (MECQ), and General Community Quarantine (GCQ).
 - a. A summary of the salient points of *DTI Memorandum Circular No. 20-29* is set out in the table below.

DTI Memorandum Circular No. 20-29 (Supplemental Guidelines on the Concessions on Residential Rents and Commercial Rents)								
	Commercial Lease	Residential Lease						
Who are entitled to the 30-day grace period?	<p>Commercial lessee who is any of the following:</p> <ul style="list-style-type: none"> • Micro-, small, and medium enterprise (MSME), which is determined based on the total assets of the enterprise <table border="1" style="margin-left: 40px;"> <tr> <td style="text-align: center;">Micro</td> <td style="text-align: center;">Not more than PhP3 million</td> </tr> <tr> <td style="text-align: center;">Small</td> <td style="text-align: center;">PhP3,000,001 to PhP15 million</td> </tr> <tr> <td style="text-align: center;">Medium</td> <td style="text-align: center;">PhP15,000,001 to PhP100 million</td> </tr> </table> <ul style="list-style-type: none"> • Business belonging to sectors not permitted to operate pursuant to laws/regulations/ordinances relevant to ECQ, MECQ, and GCQ. 	Micro	Not more than PhP3 million	Small	PhP3,000,001 to PhP15 million	Medium	PhP15,000,001 to PhP100 million	<p>Residential lessee who is any of the following:</p> <ul style="list-style-type: none"> • Lost his or her income during ECQ, MECQ, and GCQ, or • “[W]hose employer/s or business/es were not allowed to operate by laws/regulations/ordinances relevant” to ECQ, MECQ, and GCQ.
Micro	Not more than PhP3 million							
Small	PhP3,000,001 to PhP15 million							
Medium	PhP15,000,001 to PhP100 million							

¹ DTI MC No. 20-29 dated June 2, 2020; https://dtiwebfiles.s3-ap-southeast-1.amazonaws.com/COVID19Resources/COVID-19+Advisories/020620_MC2029.pdf; last visited at 11:36 AM on June 4, 2020.

² Please see our bulletin No. 11 dated April 18, 2020 at <https://syciplawresources.com/2020/04/18/sshg-covid-bulletin11/>.

DTI Memorandum Circular No. 20-29 (Supplemental Guidelines on the Concessions on Residential Rents and Commercial Rents)		
	Commercial Lease	Residential Lease
	Please note that under <i>DTI Memorandum Circular No. 20-12</i> , only commercial rents of MSMEs were subject to a grace period. ³	
What rentals are covered by the 30-day grace period?	“The due date of residential or commercial rent, subject of deferment, shall generally fall within [ECQ, MECQ, and GCQ], which shall not be earlier than March 17, 2020 and not later than the lifting of covered community quarantine.”	
When does the 30-day grace period commence?	<p>The grace period commences from the earlier of the following:</p> <ul style="list-style-type: none"> i. “[L]ifting of the covered community quarantine,” or ii. The date that the commercial lessee is allowed under relevant regulations⁴ to resume business operations. <p>For (ii), the grace period shall commence to run regardless of whether or not the commercial lessee actually resumes business operation.</p>	<p>The grace period commences from the earlier of the following:</p> <ul style="list-style-type: none"> i. “[L]ifting of the covered community quarantine,” or ii. The date that the residential lessee is allowed under relevant regulations⁵ to return to work or resume business operations. <p>For (ii), the grace period shall commence to run regardless of whether or not the residential lessee actually goes back to work/resumes business operations.</p>

³ DTI MC No. 20-12, Section 2.

⁴ See also IATF *Revised Omnibus Guidelines* dated May 22, 2020 at <https://www.officialgazette.gov.ph/downloads/2020/05may/20200522-omnibus-guidelines-on-the-implementation-of-community-quarantine-in-the-philippines.pdf>, and DTI MC No. 20-22 dated May 5, 2020 at https://dtiwebfiles.s3-ap-southeast-1.amazonaws.com/COVID19Resources/COVID-19+Advisories/050520_MC2022.pdf.

⁵ See also IATF *Revised Omnibus Guidelines* dated May 22, 2020 at <https://www.officialgazette.gov.ph/downloads/2020/05may/20200522-omnibus-guidelines-on-the-implementation-of-community-quarantine-in-the-philippines.pdf>, and DTI MC No. 20-22 dated May 5, 2020 at https://dtiwebfiles.s3-ap-southeast-1.amazonaws.com/COVID19Resources/COVID-19+Advisories/050520_MC2022.pdf.

DTI Memorandum Circular No. 20-29 (Supplemental Guidelines on the Concessions on Residential Rents and Commercial Rents)		
	Commercial Lease	Residential Lease
	Please note that under <i>DTI Memorandum Circular No. 20-12</i> , ⁶ “[t]he minimum thirty (30)-days grace period is determined to be the 30 calendar days following the last due date of the rent which fell due within the ECQ.” ⁷	

- b. The Circular also provides for amortization of lease rentals, and enumerates additional reliefs which may be granted by lessors of commercial rents for MSMEs such as waiver of rent, discounted rents, and renegotiation of terms of lease. It also states that “[n]o eviction for failure to pay the residential or commercial rent due may be enforced from March 17, 2020 when ECQ took effect until the end of the grace period.”
2. The DTI has also issued *Memorandum Circular No. 20-30 (Guidelines on Refund of Payments Made for Events Affected by the State of Public Health Emergency)* dated June 2, 2020.⁸

This Circular prescribes the procedure for the refund of down payment or deposit made for events scheduled during the community quarantine which are “scaled-down or cancelled in view of the ongoing public health emergency and the resultant social distancing directives for the imposed Community Quarantine, whether ECQ, MECQ, or GCQ.”

The events covered include personal events such as “birthdays, christenings, weddings, anniversaries, thanksgiving, family reunions, leaseholds, and the like” and business or work-related events such as “conferences, seminars, workshops, team buildings, planning sessions, symposium, and the like.”

⁶ https://dtiwebfiles.s3-ap-southeast-1.amazonaws.com/COVID19Resources/COVID-19+Advisories/040420_MC2012.pdf.

⁷ DTI MC No. 20-12, Section 3.3.

⁸ DTI MC No. 20-30 dated June 2, 2020; https://dtiwebfiles.s3-ap-southeast-1.amazonaws.com/COVID19Resources/COVID-19+Advisories/020620_MC2030.pdf; last visited at 12:33 PM on June 4, 2020.

B. Additional Guidelines issued by the Bureau of Internal Revenue (BIR) for the Tax Payments due June 14

1. The BIR has issued *Revenue Memorandum Circular (RMC) No. 56-2020 (Payment of Internal Revenue Taxes until June 14, 2020)*⁹ to clarify the guidelines in *RMC No. 48-2020*¹⁰ on filing and payment of internal revenue taxes until June 14, 2020 (the deadline for various tax payments, including annual income taxes, pursuant to the extensions granted by the BIR in view of the quarantine restrictions).¹¹
 - a. *RMC No. 56-2020* provides that taxpayers may avail of the following filing and payment options:
 - i. file and pay at either “the nearest authorized agent bank (AAB), notwithstanding Revenue District Office (RDO) jurisdiction” or “the concerned Revenue Collection Officers (RCO) of the nearest RDO, even in areas where there are AABs,” provided that:
 - cash payments shall not exceed Php 20,000; and
 - check payments made “with the RCO in the district office” will have no limitation; or
 - ii. file returns through the online “eBIR Forms Facility” and use any of the following payment options:
 - Land Bank of the Philippines “Link.biz Portal;”
 - Development Bank of the Philippines “Pay Tax Online;”
 - Union Bank “online Web and Mobile Payment Facility;” or
 - “Mobile payment (GCash / PayMaya).”

⁹ *BIR RMC No. 56-2020* dated May 26, 2020; https://www.bir.gov.ph/images/bir_files/internal_communications_2/RMCs/2020%20RMCs/RMC%20No.%2056-2020.pdf; last visited at 2:37 PM on June 4, 2020.

¹⁰ Please see our bulletin No. 19 dated May 24, 2020 at <https://syciplawresources.com/2020/05/24/syciplaw-bulletin-19-revised-iatf-omnibus-guidelines-no-further-extension-of-deadlines-to-pay-taxes/>.

¹¹ See *RR No. 11-2020* dated April 29, 2020 at https://www.bir.gov.ph/images/bir_files/internal_communications_1/Full%20Text%20RR%202020/Revenue%20Regulations%20No%2011-2020.pdf and *RR No. 12-2020* dated May 14, 2020 at https://www.bir.gov.ph/images/bir_files/internal_communications_1/Full%20Text%20RR%202020/Revenue%20Regulations%20No.%2012-2020.pdf.

See also our The Return-to-Work Checklist at <https://syciplawresources.com/wp-content/uploads/2020/05/SyCipLaw-The-Return-to-Work-Checklist.pdf> and our bulletin no. 19 dated May 24, 2020 at <https://syciplawresources.com/2020/05/24/syciplaw-bulletin-19-revised-iatf-omnibus-guidelines-no-further-extension-of-deadlines-to-pay-taxes/>.

- b. Taxpayers enrolled in the BIR’s “Electronic Filing and Payment System (eFPS)” shall continue to file through eFPS and pay the corresponding taxes “with the AABs where they are enrolled.”
 - c. Taxpayers with “no payment returns” may file their returns through the eBIR Forms facility. In case of “unavailability of internet connection to electronically file such returns,” taxpayers may manually file their returns “to the nearest RDO.”
2. With respect to “submission of the filed 2019 Income Tax Return and its required attachments,” the BIR has issued *Revenue Memorandum Circular (RMC) No. 49-2020 (Providing Additional Options in the Acceptance and Processing of Filed 2019 Income Tax Returns and Its Required Attachments and Providing Guidelines Thereon)*.¹²

This circular allows taxpayers to submit the required attachments through either (1) the nearest Revenue Collection Officer, “notwithstanding Revenue District Office jurisdiction,” or (2) the BIR’s online “eAFS system.” The procedure for enrollment in eAFS is appended to the circular.¹³

C. BIR Guidelines on How to Withdraw a Protest or Appeal Electronically to Avail of Tax Amnesty until June 15, 2020

The BIR has issued *RMC No. 52-2020 (Filing of Withdrawal of Protest on Assessment Notices or Appeal on FDDA via Email for Purposes of Tax Amnesty, Amending and Supplementing RMC No. 11-2020 dated February 6, 2020)*¹⁴ to “temporarily allow the filing of the withdrawal of the protest on Final Assessment Notice/Formal Letter or Demand or appeal on Final Decision on Disputed Assessment via electronic mail” for tax amnesty purposes during the ECQ and GCQ. The period to avail of tax amnesty has been extended by the BIR up to June 22, 2020, pursuant to RR No. 11-2020.¹⁵

¹² BIR *RMC No. 49-2020* dated May 22, 2020; https://www.bir.gov.ph/images/bir_files/internal_communications_1/Advisory/posted%20while%20under%20quarantine%20march%202020/RMC%20No.%2049-2020.pdf; last visited at 3:32 PM on June 4, 2020.

¹³ Annex to BIR *RMC No. 49-2020*; https://www.bir.gov.ph/images/bir_files/internal_communications_1/Advisory/posted%20during%20quarantine%20march%202020/RMC%20No.%2049-2020_Annex%201.pdf; last visited at 3:40 PM on June 4, 2020.

¹⁴ BIR *RMC No. 52-2020* dated May 27, 2020; https://www.bir.gov.ph/images/bir_files/internal_communications_2/RMCs/2020%20RMCs/RMC%20No.%2052-2020.pdf; last visited at 3:41 PM on June 4, 2020.

¹⁵ https://www.bir.gov.ph/images/bir_files/internal_communications_1/Full%20Text%20RR%202020/Revenue%20Regulations%20No%2011-2020.pdf.

As soon as the ECQ or GCQ is lifted, “the option for online filing of withdrawal of any protest or appeal before the [BIR] shall not be allowed” and “regular filing of papers or pleadings in connection with [protests or appeals] will resume.”

The filing guidelines are set out in the circular.

D. Court Hearings via Videoconferencing to Continue During GCQ

The Supreme Court (SC) Public Information Office has issued an announcement dated May 31, 2020,¹⁶ which states that hearings through videoconferencing shall continue for areas under General Community Quarantine (GCQ). If a party wishes to be heard through videoconferencing, a proper motion should be filed and the court shall have the discretion to grant or deny the motion. This remedy shall apply to both civil and criminal cases.

The SC has also issued Office of the Court Administrator Circular No. 100-2020 (*Additional Courts Authorized for Pilot-Testing of Hearing Through Videoconferencing*) dated June 3, 2020¹⁷ which enumerates additional courts authorized to conduct pilot-test hearings during the pandemic using videoconferencing (a full list of the authorized courts is provided in the circular).

E. Applications that can be Filed and Processed Online with the Company Registration and Monitoring Department (CRMD) of the Securities and Exchange Commission (SEC)

1. The SEC has issued a *Notice (Online Applications for the Company Registration and Monitoring Department (CRMD))*¹⁸ which provides that the CRMD Main Office will only entertain applications “that have already been assessed and approved through online processing.”

The list of transactions that CRMD will accept online and the corresponding email addresses are set out in the *Notice*. These include the registration of a corporation, the amendment of articles of incorporation or by-laws, request for monitoring, amendment of the SEC license of a foreign corporation.

2. The CRMD’s manual operations will be limited to the “receiving of proof of payment,” releasing of documents, and “registration of Stock and Transfer/Membership Book.”

¹⁶ SC Public Information Office Announcement dated May 31, 2020; <http://sc.judiciary.gov.ph/11536/>; last visited at 12:54 PM on June 4, 2020.

¹⁷SC *Office of the Court Administrator Circular 100-2020* dated June 4, 2020; <http://sc.judiciary.gov.ph/11587/>; last visited at 12:54 PM on June 4, 2020.

¹⁸SEC *Notice* dated June 3, 2020; http://www.sec.gov.ph/wp-content/uploads/2020/06/2020NOTICE_GCQ-CRMD.pdf; last visited at 3:54 PM on June 4, 2020.

Other COVID-19 related bulletins

The links to our earlier bulletins can be found at the SyCipLaw information hub, <https://syciplawresources.com/>.

Please note that there are other COVID-19 related government issuances which are not covered by our bulletins. For more information about other regulations, please contact your account partner or sshg@syciplaw.com or info@syciplaw.com.

This bulletin contains a summary of the legal issuances discussed above. It was prepared by SyCip Salazar Hernandez & Gatmaitan (SyCipLaw) to update its clients about recent legal developments.

This bulletin is only a guide material and is circulated for information purposes only. SyCipLaw assumes no responsibility for the accuracy, completeness or timeliness of any information provided in this bulletin. It does not constitute legal advice of SyCipLaw or establish any attorney-client relationship between SyCipLaw and the reader. It is not a substitute for legal counsel. Online readers should not act upon the information in this bulletin without seeking professional counsel. For more specific, comprehensive and up-to-date information, or for help regarding particular factual situations, please seek the opinion of legal counsel licensed in your jurisdiction.

SyCipLaw may periodically add, change, improve or update the information in this bulletin without notice.

Please check the official version of the issuances discussed in this bulletin. There may be other relevant legal issuances not mentioned in this bulletin, or there may be amendments or supplements to the legal issuances discussed here which are published after the circulation of this bulletin.

No portion of this bulletin may be emailed, forwarded, reposted, copied in different electronic devices, copied or posted online in any platform, copied or reproduced in books, pamphlets, outlines or notes, whether printed, mimeographed or typewritten, or copied in any other form, without the prior written consent of SyCipLaw.

SyCip Salazar Hernandez & Gatmaitan

SyCipLaw Center, 105 Paseo de Roxas
Makati City 1226, The Philippines
t: +632 8982 3500; +632 8982 3600; +632 8982 3700
f: +632 8817 3145; +632 8817 3896
e: sshg@syciplaw.com
www.syciplaw.com