



Client Bulletin No. 27 (Updates on COVID-19 related PH Issuances):
Recent Issuances by the IPOP HL and the BIR

This is a briefing on the issuances as of July 22, 2020 on the following matters in relation to the COVID-19 pandemic:

- A. Intellectual Property Office (IPOP HL) Suspends Services at its Main Office from July 20 to 27, and Extends Deadlines
- B. BIR Amends Reportorial Requirements of Banks and Other Lenders that Granted a Grace Period on Loans that were due during the Enhanced Community Quarantine
- C. New Bureau of Internal Revenue (BIR) Form for Related Party Transactions

A. Intellectual Property Office (IPOP HL) Suspends Services at its Main Office from July 20 to 27, and Extends Deadlines

The IPOP HL has issued *IPOP HL Memorandum Circular No. 2020-028 (Suspension of Activities and Extension of Deadlines for the Period of 20 to 27 July 2020)* dated July 18, 2020,¹ which suspends all activities at the IPOP HL Main Office from July 20 to July 24, 2020 “except for cashing and documentary receiving services, which shall remain suspended until [July 27, 2020].”

The circular provides that “[d]eadlines for filings and payments falling due during [the period of July 20 to 27] are extended until [August 4, 2020]” since personnel from the cashing and receiving sections of the IPOP HL are unavailable for that period. In the meantime, “[t]he public is encouraged to transact business with IPOP HL through its online portal which shall remain available.”

¹ *IPOP HL Memorandum Circular No. 2020-028*; https://drive.google.com/file/d/1HvAyD7OrjYAP67_j_PfsttBAMyWqoOf/view; last visited July 20, 2020 at 6:22 AM.

The circular was issued after one of the IPOPPL personnel tested positive for COVID-19. Persons who visited the IPOPPL Main Office on July 13, 2020 “are advised to undergo the necessary safety precautions and monitor their health.”

For more information about IPOPPL issuances, please contact:

Vida M. Panganiban-Alindogan
Partner; Head of the Intellectual Property Department
vmpanganiban@syciplaw.com

B. BIR Amends Reportorial Requirements of Banks and Other Lenders that Granted a Grace Period on Loans that were due during the Enhanced Community Quarantine

The BIR has issued *Revenue Memorandum Circular (RMC) No. 72-2020 (Amending Revenue Memorandum No. 36-2020)* dated July 17, 2020² to “remove the requirement of submission of photocopies of documents evidencing credit extensions and credit restructuring granted by covered institutions during the Enhanced Community Quarantine (ECQ).” Covered institutions, including banks, financing companies, lending companies, and other public and private financial institutions, that had loans that fell due during the ECQ were required by Republic Act No. 11469 or the “Bayanihan to Heal As One Act” to grant a grace period on loan payments.

RMC No. 72-2020 amends *RMC No. 36-2020 (Further Clarification on the Exemption from Documentary Stamp Tax (DST) Relief for Qualified Loans pursuant to Revenue Regulations No. 8-2020 dated April 1, 2020 and Revenue Memorandum Circular No. 35-2020 dated April 2, 2020)* dated April 3, 2020.³

This new RMC requires covered institutions to submit a “Summary Listing of Pre-Existing Loans, Pledges and Other Instruments with Granted Extension of Payment and/or Maturity Periods as of March 17, 2020,” without needing to attach “photocopies of documents evidencing credit extensions and credit restructuring,” to the “Revenue District Office / Large Taxpayers Service / Large Taxpayers District Office where the taxpayer is registered” within 60 days from the lifting of the ECQ. The summary listing “shall be made under oath as to the completeness, truth and accuracy thereof by a duly authorized officer or representative of the taxpayer, and subject to post audit/verification by the BIR whether the summary list pertains to qualified loans only.”

² BIR Revenue Memorandum Circular No. 72-2020; https://www.bir.gov.ph/images/bir_files/internal_communications_2/RMCs/2020%20RMCs/RMC%20No.%2072-2020.pdf; last visited July 21, 2020 at 2:20 PM.

³ BIR Revenue Memorandum Circular No. 36-2020; https://www.bir.gov.ph/images/bir_files/internal_communications_2/RMCs/2020%20RMCs/RMC%20No.%2036-2020.pdf; last visited July 21, 2020 at 2:30 PM.

C. New Bureau of Internal Revenue (BIR) Form for Related Party Transactions⁴

The Secretary of Finance has issued *Revenue Regulations (RR) No. 19-2020 (New BIR Form No. 1709, Replacing Form No. 1702H, Series of 1992)* dated July 8, 2020⁵ to prescribe the use of the new BIR Form No. 1709 or Information Return on Related Party Transactions (Domestic and Foreign), replacing “BIR Form No. 1702H - Information Return on Transactions with Related Foreign Persons, series of 1992.” The new form is Annex A of the RR and can be downloaded at

https://www.bir.gov.ph/images/bir_files/internal_communications_1/Full%20Text%20RR%202020/RR%20No.19-2020%20Annex%20A.pdf.

BIR Form No. 1709 is required to be attached to the “Annual [Income Tax Return] for the current taxable year and subsequent years.”

RR No. 19-2020 sets out the rules “in determining whether a person or entity is a related party,” enumerates the required “disclosures on transactions and outstanding balances,” and provides the procedure and guidelines in accomplishing the new form.

This issuance will take effect on July 25, 15 days following its publication on July 10, 2020 in the *Malaya Business Insight*, a newspaper of general circulation.

For more information about BIR issuances, please contact:

Carina C. Laforteza
Partner; Head of the Tax Department
cclaforteza@syciplaw.com

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 sshq@syciplaw.com or info@syciplaw.com.

⁴ This is not a COVID-19 related issuance but we have included it in this bulletin to update our clients.

⁵ *BIR Revenue Regulations 19-2020*;

https://www.bir.gov.ph/images/bir_files/internal_communications_1/Full%20Text%20RR%202020/RR%20No.%2019-2020.pdf; last visited July 20, 2020 at 12:30 PM.

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