



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

24 November 2021

BGEN. CHARITO B. PLAZA, PhD

Director General
Philippine Economic Zone Authority (PEZA)
10th Floor, DoubleDragon Center West Building
DD Meridian Park, Macapagal Avenue
Pasay City

SUBJECT: Request for exemption from FIRB Resolution 19-21

Dear **Director General Plaza,**

This refers to your letter dated 23 September 2021 requesting the FIRB for exemption from FIRB Resolution 19-21 or reconsideration to maintain the work-from-home (WFH) that PEZA implemented at the beginning of the pandemic under PEZA Memorandum Circular (MC) 2020-011 dated 5 March 2020 and extended by various MCs until 12 September 2021.

Please be informed that the Board of the FIRB, in its meeting last 15 October 2021, denied the said request based on the following considerations, which are incorporated in the attached FIRB Resolution No. 23-21.

1. The emerging economic strategy of the government is to gradually and safely open the economy. As such, the policies of the state, such as allowing the pilot opening of face-to-face classes, adoption of granular lockdown, and expanding the vaccination to include those under 12-17 years old, are all geared towards improving mobility and enhancing greater economic activity.;
2. The Inter-Agency Task Force for the Management of Emerging Infectious Diseases Omnibus Guidelines and Department of Trade and Industry Advisory 21-09 even allowed business process outsourcing (BPO) establishments and export-oriented businesses to operate onsite at 100% capacity in all levels of community quarantines. This was issued on 31 May 2021.

The Board members were also duly informed that the IT-BPM sector was consulted by the DTI even prior to the Board's meeting in August 2021 when Resolution 19-21 was adopted.

With regard to the corresponding penalty, non-compliance with the conditions prescribed under FIRB Resolution 19-21 shall be meted with suspension of the income tax incentive applied on the revenue corresponding to the month/s of non-compliance. Hence, if a registered enterprise breached the WFH threshold for the month of December, only 11/12 of the total revenue will be entitled to tax incentives.

For your reference, here is the link to [FIRB Resolution 23-21](#).

Very truly yours,



JUVY C. DANOFRATA

Assistant Secretary

Head, Fiscal Incentives Review Board Secretariat