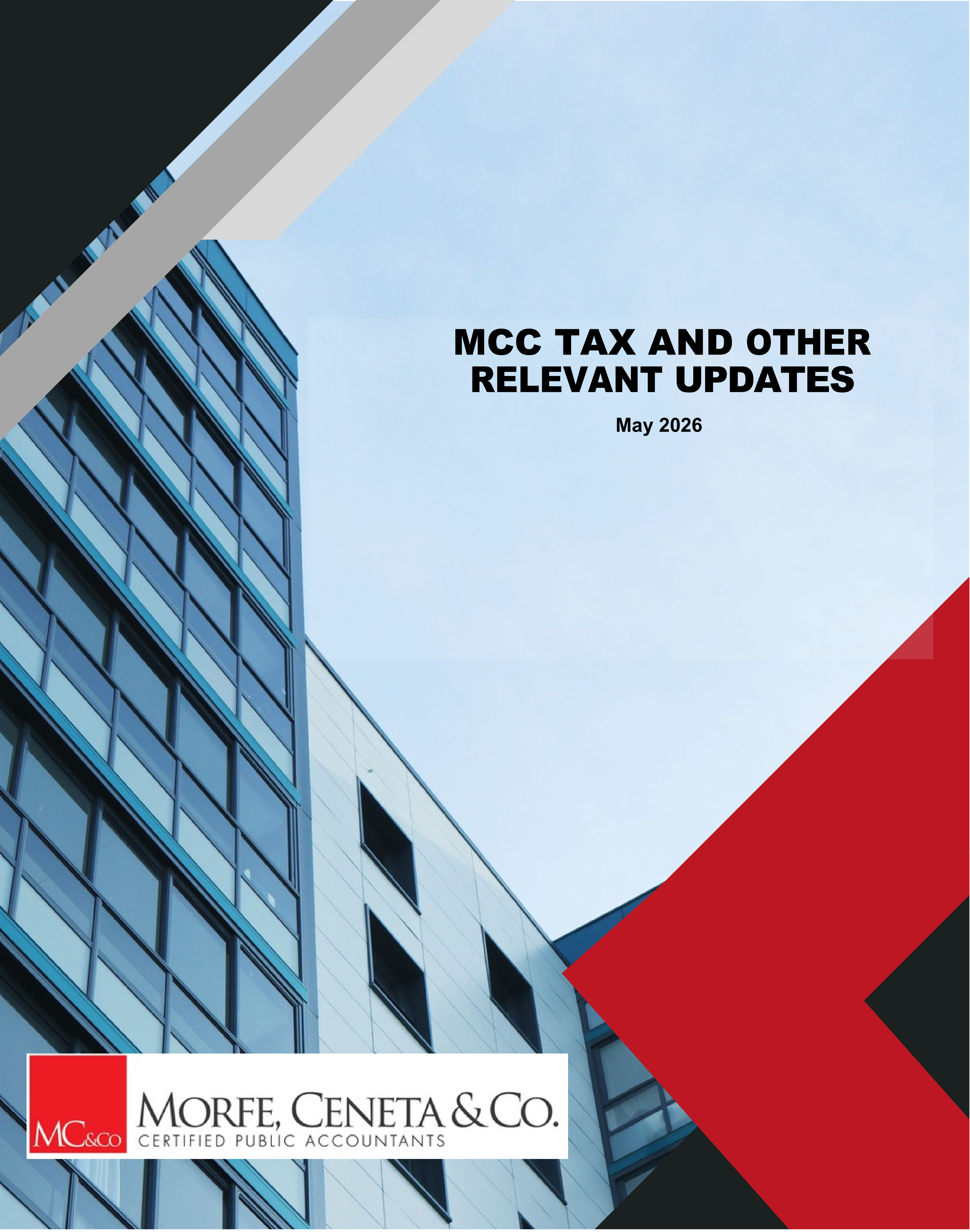

MCC TAX AND OTHER RELEVANT UPDATES

May 2026

MORFE, CENETA & CO.
CERTIFIED PUBLIC ACCOUNTANTS

IMPORTANT UPDATES:

ISSUANCE	DATE ISSUED	SUMMARY
RMC 44-2026	**May 13, 2026**	Circularizes DOF Department Order No. 18-2025 providing guidelines for accreditation and supervision of **VAT Refund System (VRS)** operators under RA No. 12079; covers qualification criteria, accreditation procedures, and operational responsibilities including system security, reporting, and data privacy compliance.
RMC 46-2026	**May 18, 2026**	**Extends the deadline** for submission of 2025 Audited Financial Statements (**AFS**) via eAFS **until May 25, 2026** without penalties due to system issues; does not extend the AITR filing deadline; previously acknowledged submissions remain valid.
RMC 47-2026	**May 19, 2026**	Provides streamlined **guidelines for closure and cancellation of business registrations** under the Ease of Paying Taxes Act; outlines filing procedures, documentary requirements, tax compliance obligations, and simplified processing for micro taxpayers.
RMC 53-2026	**May 26, 2026**	Announces pilot implementation of the **Taxpayer Portal for Large Taxpayers Service (LTS)** taxpayers, enabling online access to registration data, filings, payments, account ledgers, and automated reminders.
RMC 055-2026	**May 26, 2026**	Reminds withholding agents to submit alphalists as required attachments to tax returns; reiterates deadlines and highlights **compliance obligations of e-marketplace operators and digital financial service** providers, who are identified as withholding agents required to remit **one-half percent (1/2%)** of their gross remittances to sellers of goods and services under RR No. 16-2023, as amended by RR No. 5-2025.
RMO 11-2026	**May 12, 2026**	Increases the **threshold** for Cost to Collect from Php 20,000 **to Php 80,000 for delinquent accounts**, establishing the basis for write-off of tax cases where collection is no longer economically feasible.
SEC MC No. 16, s. 2026	**2026**	**Suspends the imposition of monthly penalties for late filings** under MC 06-2024 until December 31, 2026; applies prospectively, while previously paid penalties remain non-refundable; base fines and reportorial compliance requirements remain in effect.
DOLE / NWPC AERW Guidelines	**2026**	Requires submission of the 2025 **Annual Establishment Report on Wages (AERW)**, including verified employee wage data as of December 31, 2025; submission period is **May 15 to August 31, 2026** via DOLE/NWPC online portals.

DISCUSSION OF UPDATES

A. REVENUE MEMORANDUM CIRCULARS

REVENUE MEMORANDUM CIRCULAR 44-2026

The Bureau of Internal Revenue has issued Revenue Memorandum Circular 44-2026 circularizing the Department of Finance (DOF) Department Order No. 18-2025, which provides the guidelines for the accreditation and supervision of Value-Added Tax (VAT) Refund System (VRS) operators pursuant to Republic Act No. 12079. The issuance covers the accreditation and supervision of VRS operators and establishes the administrative and operational guidelines, qualification criteria, documentary requirements, and procedures for the accreditation process.

Under the Order, a VRS refers to a digital end-to-end system by which an eligible tourist may claim VAT refund for locally purchased goods, while a VRS operator refers to a third-party entity accredited for the design, build, and overall operations of the system. The VRS operator is responsible for the implementation and operation of a fully digital system, including the issuance of solutions for duly accredited stores, digital tools for tourists, validation systems, processing and payment of VAT refunds, reporting tools, and system hosting and upgrades.

The Order provides that a party intending to be accredited as a VRS operator must undergo pre-qualification and accreditation procedures, and must comply with qualification criteria, including experience in operating VAT refund services, and submission of complete documentary requirements. The Accreditation Committee is tasked to evaluate applicants, determine compliance with requirements, and recommend qualified applicants for approval by the Secretary of Finance.

An accredited VRS operator shall implement a traveller-pay model, facilitate the VAT refund process for eligible tourists, ensure information system security, provide access to data and reports to the DOF, Bureau of Internal Revenue, and Bureau of Customs, and comply with applicable laws, including the Data Privacy Act. The VRS operator shall likewise act as agent of tourists in relation to VAT refund claims and provide support for accredited stores, including training, reporting, and promotion.

Accreditation shall be valid for five (5) years, subject to renewal upon evaluation of performance and continued compliance with the requirements. The Order further provides for performance reviews, report submissions, and access to information necessary for oversight. Grounds for suspension, revocation, or termination of accreditation include breach of agreements, poor performance, gross negligence, or violation of applicable laws and regulations.

To access the copy of the DOF Issuance, please refer to the following link: [DOF Deparmtent Order No. 18-2025.pdf]

REVENUE MEMORANDUM CIRCULAR 46-2026

The Bureau of Internal Revenue (BIR), through RMC No. 46-2026, has extended the deadline for the submission of 2025 Audited Financial Statements (AFS) and required attachments due to technical issues encountered in the eAFS system during the recent filing season. Affected taxpayers may now submit their AFS through the eAFS facility until **May 25, 2026,** without penalties. However, this extension applies only to AFS submissions and **does not extend the deadline for filing the Annual Income Tax Return (AITR)**.

Taxpayers who previously submitted their AFS via official BIR email on or before **May 15, 2026,** and received an acknowledgment are already considered compliant and are no longer required to resubmit, although they may do so optionally. On the other hand, those who did not receive acknowledgment or were unable to submit due to system issues must resubmit via the eAFS facility by the extended deadline.

All submissions remain subject to BIR validation and verification, and taxpayers may still be required to provide additional documents or hard copies if necessary. Concerned BIR offices are likewise directed to monitor submissions and issue proper acknowledgments. Taxpayers are advised to ensure compliance within the extended period to avoid any penalties.

Refer to this link for more information: RMC No. 46-2026.pdf

REVENUE MEMORANDUM CIRCULAR 47-2026

The Bureau of Internal Revenue has issued Revenue Memorandum Circular (RMC) No. 47-2026 to establish simplified and streamlined guidelines for the closure and cancellation of business registrations. This issuance, pursuant to the "Ease of Paying Taxes Act," aims to standardize procedures for all taxpayers, including individuals, corporations, and government entities, who have permanently ceased business operations.

Application and Venue of Filing Applications for registration cancellation

The application for must be submitted to the Revenue District Office (RDO) where the taxpayer’s head or branch office is registered. The submission can be made manually or electronically through the RDO's official email address or via the BIR’s electronic facilities, such as the Taxpayer Registration-Related Application (TRRA) Portal or the Online Registration and Update System (ORUS).

Documentary Requirements To complete the process, taxpayers must submit the following:

- BIR Form No. 1905 (Application for Registration Information Update/Correction/Cancellation).
- A list of ending inventory of goods and supplies for VAT-registered taxpayers.
- All unutilized accounting forms and invoices (e.g., vouchers, receipts, purchase orders).
- Original BIR notices and permits, including the Certificate of Registration (COR) and Authority to Print.

Specific additional documents are required if the application is filed by a representative or in cases involving the death of an individual proprietor.

Tax Returns and Penalties

Taxpayers are required to file all final or short-period tax returns and pay corresponding taxes due up to the date of closure. Penalties for the non-filing of returns will not accrue after the submission of complete documentary requirements, at which point the taxpayer's status is updated to "deregistered".

Streamlined Processing for Micro Taxpayers For micro taxpayers (those with gross sales not exceeding Three Million Pesos)

The Tax Clearance shall be issued within three (3) working days from the submission of complete requirements, provided there are no open cases or outstanding liabilities. Furthermore, micro taxpayers are not subject to mandatory audits for the purpose of business registration closure.

Consequences of Non-Compliance

Taxpayers who cease operations without formalizing the cancellation with the BIR will continue to be liable for all tax obligations, including the filing of returns and payment of taxes and penalties, until the registration is officially closed.

Effective Date

This circular took effect immediately upon its issuance on May 19, 2026.

Refer to this link for more information: [RMC No. 47-2026.pdf]

REVENUE MEMORANDUM CIRCULAR 53-2026

The Bureau of Internal Revenue has issued Revenue Memorandum Circular No. 53-2026, dated May 26, 2026, which announces the availability of the

Taxpayer Portal and its pilot implementation specifically for taxpayers registered under the Large Taxpayers Service (LTS).

The Taxpayer Portal is a secured digital platform designed to provide taxpayers with a single-view, online access to their critical tax information. Through this centralized profile, taxpayers can conveniently view registration details, monitor return statuses, track payments, and receive system-generated reminders. This initiative aims to modernize tax administration and enhance the ease of doing business by reducing the necessity for manual follow-ups and in-person visits to BIR offices.

Key System Functionalities Available During the Pilot Phase Taxpayers registered under the LTS may now enroll in the portal to utilize the following features:

- Viewing taxpayer registration information.
- Monitoring the status of filed tax returns categorized by Tax Type or Form Type.
- Tracking tax payments.
- Viewing Account Ledgers per Tax Type or Form Type.
- Receiving system-generated notifications and reminders regarding tax filing and payment obligations.

Implementation and Support Details The current pilot implementation for LTS taxpayers is intended to ensure the system's operational readiness before a wider deployment to other taxpayer categories.

For enrollment assistance, technical concerns, or questions regarding the accuracy of taxpayer records reflected in the portal, taxpayers are advised to coordinate directly with the concerned Large Taxpayers Office or Division where they are officially registered.

Refer to this link for more information: [RMC No. 53-2026.pdf]

REVENUE MEMORANDUM CIRCULAR 055-2026

The Bureau of Internal Revenue has issued **Revenue Memorandum Circular (RMC) No. 055-2026**, which serves as a formal reminder to all withholding agents regarding the mandatory obligation to submit the **Alphabetical List of Employees/Payees (alphalist)**. Since the alphalist is considered an attachment and therefore an integral part of the withholding tax return, its submission is an official requirement for all withholding agents. Failure to comply with this obligation constitutes a violation of regulations and is subject to corresponding penalties.

This issuance specifically highlights **electronic marketplace (e-marketplace) operators** and **digital financial services providers (DFSPs)**, who are identified as withholding agents required to remit **one-half percent (1/2%)** of their gross remittances to sellers of goods and services under RR No. 16-2023, as amended by RR No. 5-2025. Records indicate that many of these entities have not yet complied with the alphalist submission requirement. Consequently, these agents are directed to strictly comply by submitting their alphalists through the **BIR eSubmission facility**, as prescribed under RR No. 1-2014, to avoid unnecessary penalties.

The deadlines for the submission of the alphalist are synchronized with the filing deadlines of the respective tax returns as follows:

Type of Return	Submission Deadline
Monthly alphalist for VAT and percentage tax returns	**10th day** of the following month
Quarterly alphalist for CWT and FWT returns	**Last day of the month** following the close of the quarter
Annual alphalist for withholding tax on compensation and FWT	**January 31** of the succeeding year
Annual alphalist for CWT	**March 1** of the succeeding year

All concerned withholding agents are encouraged to review their current filing status and ensure that all prescribed alphalists are submitted accurately through the authorized digital channels to maintain full regulatory compliance.

Refer to this link for more information: https://bir-cdn.bir.gov.ph/BIR/pdf/RMC No. 55-2026.pdf

A. REVENUE MEMORANDUM ORDER

REVENUE MEMORANDUM ORDER 11-2026

The Bureau of Internal Revenue has issued Revenue Memorandum Order No. 011-2026 to rationalize collection enforcement efforts regarding Accounts Receivable/Delinquent Accounts (AR/DA). This issuance officially increases the threshold for the Cost to Collect from Php 20,000.00 to Php 80,000.00 for accounts that are final, executory, and demandable.This updated figure now serves as the statutory basis for the write-off of tax cases in situations where further collection efforts are no longer considered economically feasible.

Refer to this link for more information: **RMO No. 11-2026.pdf**

B. SECURITIES AND EXCHANGE COMMISSION

The Securities and Exchange Commission (SEC) has issued Memorandum Circular No. 16, Series of 2026, suspending the imposition of the *per month of delay penalty* for late filings under MC 06-2024, effective upon publication and valid until **31 December 2026**. This suspension applies to all domestic and foreign corporations under SEC jurisdiction and is implemented prospectively, meaning pending applications will no longer incur the monthly penalty; however, penalties already assessed and paid prior to effectivity remain final and non-refundable. Corporations with unsettled assessments will be issued updated computations excluding the monthly penalty component. Notwithstanding this relief, the **base fines for late or non-filing remain in force**, and all corporations are still required to comply with reportorial obligations, including timely submission of AFS and GIS. Starting **1 January 2027**, the monthly penalty will automatically be reinstated for monitoring requests filed from that date onward.

Refer to this link for more information: SEC MC No. 16, series of 2026SUSPENSION OF THE PER MONTH OF DELAY PENALTY FOR LATE AND NON-FILING OF REPORTORIAL REQUIREMENTS UNDER SEC MEMORANDUM CIRCULAR NO. 6, SERIES OF 2024 - Securities and Exchange Commission

D. NATIONAL WAGES AND PRODUCTIVITY BOARD

The National Wages and Productivity Commission has issued guidelines on the submission of the **2025 Annual Establishment Report on Wages (AERW)** in compliance with Department of Labor and Employment (DOLE) requirements which should include a verified list of employees—covering rank-and-file workers, learners, apprentices, and workers with disabilities—together with their corresponding wages, based on records as of **31 December 2025**.

Submission must be completed online through **aerw.nwpc.dole.gov.ph** or via the DOLE Online Compliance Portal at **https://reports.dole.gov.ph**. The submission period is from **15 May 2026 to 31 August 2026**.

All concerned establishments are encouraged to register early and submit on time to avoid compliance issues.

*****NOTHING FOLLOWS*****