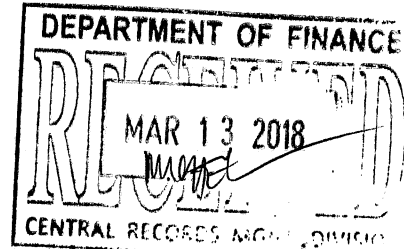


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7 March 2018

**Sec. CARLOS G. DOMINGUEZ III**  
Secretary  
Department of Finance  
6/F, DOF Building, BSP Complex  
Roxas Boulevard  
Manila



Dear Secretary Dominguez:

The Management Association of the Philippines (MAP) respectfully submits this expression of support for the government's Tax Reform for Acceleration and INclusion (TRAIN) 2 program.

We agree with the Department of Finance that TRAIN 2, as a package, will help the country become more competitive with the rest of the world by lowering the corporate income taxes from the current 30 percent, the highest among our ASEAN peers.

We agree with the need to rationalize and modernize the tax incentive system to make incentives time-bound, performance-based and not excessively complex with far too many different, even overlapping laws, rules and regulations.

It is necessary to widen the tax base and enforce better compliance. The relaxation of our bank secrecy laws, coupled with proper safeguards against abuse, is an essential tool in doing that. It will also encourage more to avail of a general tax amnesty, which we support.

We think that lowering the optional standard deduction (OSD) of 40% to 20% will only make taxpayers revert to the itemized deduction and to avoid paying correct taxes. The 40% should be retained.

We believe it is important to commit to a definite timeline for the reduction of income tax rates to have predictability that can help decision-making on investments and business plans. But we suggest starting in 2019 rather than 2020. Our ASEAN neighbors are contemplating even further reductions in their income tax rates - making this an important step. And, raising the need to go beyond 25% to 20%, even 15% as soon as it can be afforded.

TRAIN 2 is another milestone initiative for the government and a bold move that we believe will create a positive impact over-all.

The MAP commits its continuing support for the passage of TRAIN 2.

Thank you!

Letter to Sec. CARLOS G. DOMINGUEZ III

7 March 2018


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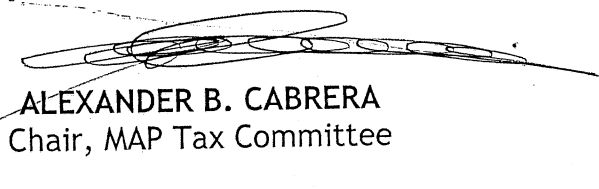
Sincerely,



RAMONCITO S. FERNANDEZ  
MAP President



ROMEO L. BERNARDO  
Governor-in-Charge, MAP Tax Committee



ALEXANDER B. CABRERA  
Chair, MAP Tax Committee