

January 14, 2021

The Honorable Vicente Castelo Sotto III

Senate Office: Rm. 603 & 24 (New Wing 5/F)
GSIS Bldg., Financial Center, Diokno Blvd.
Pasay City, 1307 Metro Manila

Dear **Senate President Sotto**:

We, Philippine business organizations, would like to express our profound gratitude to the Senate for passing the Corporate Recovery and Tax Incentives for Enterprises (CREATE) bill last November 20, 2020.

We join the multisectoral call for the enactment of CREATE into law this January 2021.

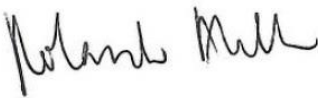
CREATE is a historic economic reform, one of the largest in decades. As a stimulus package, CREATE will be a boost to market confidence, providing instant relief to businesses suffering from business reverses due to the COVID-19 pandemic.

We particularly support the immediate reduction of the corporate income tax (CIT) rate from 30 to 20 percent for small and medium enterprises earning net taxable income not exceeding 5 million pesos, and from 30 to 25 percent for all other corporations, effective July 1, 2020. These would instantly bring the country's CIT rate closer to the ASEAN average of 21.65% and give us more resources to retain our employees and to keep up with financial difficulties. As an investment-attracting move, the CIT cut also alters the financial prospectus of the Philippines for the better.

We are hopeful the proposal to give flexible authority to the Fiscal Incentives Review Board (FIRB) and the President in granting both fiscal and non-fiscal incentives will make the tax incentives system an agile mechanism that can seize high-value investment opportunities. We thank Congress for including proper safeguards against abuse of discretion or making it a political tool to grant favors to undeserving recipients.

We also recognize that CREATE provides a transition of 10 years for current holders of incentives. This should ease some concerns about the regime change.

We humbly request Congress to move quickly and decisively to push CREATE forward and ensure its immediate enactment. After three years of deliberation, every day of delay comes at the risk of losing more jobs and hemorrhaging more investments. We call for the enactment of this measure within January of this year 2021.



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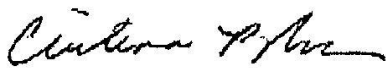
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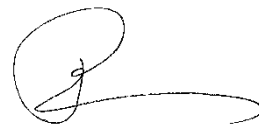
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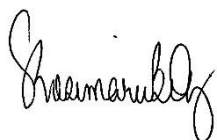
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