



**“MAPping the Future” Column in *INQUIRER***

***“Taxation of the Digital Economy”***

***January 3, 2021***

**Mr. RAYMOND “Mon” A. ABREA**

The Bureau of Internal Revenue (BIR) has been making deficiency tax assessments on the income payments made by local companies and agencies to non-resident foreign corporations (NFRCs) particularly tech giants like Amazon, Google and Facebook (or Meta). The deficiency tax assessments include non-withholding of final tax on income payments made online e.g., Facebook Ads plus 25% surcharge, 12% interest and compromise penalties.

As a general rule, the income payment made to NFRCs is subject to 25% final withholding tax and 12% final withholding VAT. Unfortunately as the withholding agent, the local company or agency is responsible for withholding taxes. Otherwise, BIR will run after them, and not after the NRFCs for failure to withhold taxes.

While most of them are registered in the United States which has a tax treaty with the Philippines, they also use other entities registered in tax havens or other countries without existing tax treaty agreements. This may pose a challenge as tax treaty preferential rates and exemptions from final withholding taxes may not be available.

Revenue Memorandum Order (RMO) 14-2021 sets the guidelines and procedures to streamline the availment of tax treaty benefits. This is applicable to NFRCs regularly transacting with the Philippines as long as they are using the entity registered in the United States or countries with tax treaty with the Philippines like Google.

**Digital Service Taxes**

The digital economy has been growing dramatically over the years. In the Philippines, it has exponentially increased revenues from abroad especially for content creators, livestreamers and online gamers.

Similarly and more significantly, tech giants like Amazon, Google and Facebook derive income from the Philippines without having a physical presence and are not subject to corporate income tax.

European countries like Austria, France, Italy, Spain, Turkey, and the United Kingdom have implemented a Digital Service Tax (DST). Other countries like Belgium and Czech Republic have published proposals to enact DST, and Norway has officially signified its intention to implement such a tax.

According to the Tax Foundation, the proposed and implemented DSTs differ significantly in their structure. For example, Austria only imposes tax on online advertising, France includes digital interface, and data transmission. The tax rates range from 1.5 percent to 7.5 percent.

However, the DST is considered a mere interim tax measure until an agreement is reached at the Organization for Economic Cooperation and Development (OECD).

### **OECD Pillar 1**

Like in other countries, billions of dollars in revenues are generated in the Philippines by these tech giants but are not subject to corporate income tax.

To address this, the Organization for Economic Cooperation and Development (OECD), where the Philippines is a member country, has been hosting negotiations with more than 130 countries to adapt the international tax system. OECD proposed Pillar 1 which would require the tech giants to pay some of their income taxes where their consumers are located.

Pillar 1 would replace DST and other taxes being imposed by other countries on digital companies. This is more beneficial to countries like the Philippines since the focus is changing where profits are taxes.

### **Digital Economy Taxation**

Notwithstanding the proposed Pillar 1 by OECD, there is a pending Digital Economy Taxation bill (HB 6765) in the House of Representatives. Salient features include:

- a. Network orchestrators such as ride-hailing companies (e.g. Grab, Angkas), rental platforms (e.g., Airbnb, Agoda, Booking.com) as withholding tax agents;
- b. Impose 12% VAT on digital or electronic goods and services rendered electronically;
- c. Impose 12% VAT on digital advertising services (e.g., Google and Facebook ads), subscription-based services (e.g., Netflix, Spotify), and any online services;

It will also require the tech giants to register a local company with a resident agent where revenues derived from the Philippines will be declared and subject to corporate income tax.

### **Annual Tax Health Check**

Whether the Philippines enact HB 6765 or adopt the proposed Pillar 1 by OECD, individuals and corporate entities, domestic or NRFC must fully comply with existing tax rules and regulations to avoid being slapped with hefty penalties and compromises.

As early as 2013, the Bureau of Internal Revenue (BIR) already issued Revenue Memorandum Circular (RMC) 55-2013 reiterating the taxpayers' obligations in relation to online business transactions, including online retailing through virtual shopping malls, online marketplaces, and other online stores. Recently, BIR issued RMC 97-2021 to remind social media influencers (SMIs) or those earning income in exchange for services performed as bloggers, video bloggers and other content creators, of their tax obligations.

As we embrace the new normal, with almost all transactions being done online, BIR will definitely focus its tax enforcement efforts on all these digital platforms and players who are generating significant revenues especially during this pandemic. Thus, an annual tax health check is necessary to make sure individuals and companies are fully compliant with all applicable tax laws, rules and regulations, and are aware of existing tax exemptions or reliefs so they can legally avail and avoid unnecessary taxes.

Taxation of the digital economy is real and here to stay for good. Aside from staying COVID-free, taxpayers must make sure they are also free from unnecessary taxes, penalties and compromises.

*(This article reflects the personal opinion of the author and does not reflect the official stand of the Management Association of the Philippines or MAP. The author is Member of the MAP Ease of Doing Business Committee, Founding Chair and Senior Tax Advisor of Asian Consulting Group and Co-Chair of Paying Taxes – EODB Task Force. He is Trustee of Center for Strategic Reforms of the Philippines – the advocacy partner of the BIR, Department of Trade and Industry (DTI), and Anti-Red Tape Authority (ARTA) on ease of doing business and tax reform.)*



**Atty. CESAR L. VILLANUEVA**

**“MAP Insights” Column in BUSINESSWORLD**

***“Legal Implications on Imposition of Fiduciary Duty of Diligence of the Highest Degree (Parts 1 & 2)”***

***December 28, 2021 and January 4, 2022***

The enforcement of the doctrine that the degree of diligence required of corporations vested with public interests is of the highest degree (i.e., extraordinary diligence) has legal implications on: (i) the burden of proof to make the corporation directly liable to the injured stakeholder; and (ii) the personally liability of the directors, trustees, or officers acting for and in behalf of the corporation.

Under the old Corporation Code, where there was as yet no recognition of the special category of corporations vested with public interest, the burden to show that the corporation, acting through its Board of Directors or duly authorized officers, acted negligently in breach of the contract (*culpa contractual*) or to cause damage to others not bound by any contractual relations (*culpa aquiliana*) was on the part of the plaintiff seeking relief from the corporation. In other words, it was a proper defense for the corporation to avoid liability from its acts, contracts and transactions to show that it has exercise the diligence of a prudent person or a good father of a family.

On the other hand, the director, trustee or officer acting in behalf of the corporation can be held personally liable for such corporate act, contract or transaction only when it is shown that he has breached his duties of diligence and loyalty encapsulated in the first paragraph of then Section 31, thus: “Directors or trustees who willfully and knowingly vote for or assent to patently unlawful acts of the corporation or who are guilty of gross negligence or bad faith in directing the affairs of the corporation or acquire any personal or pecuniary interest in conflict with their duty as such directors or trustees shall be liable jointly and severally for all damages resulting therefrom suffered by the corporation, its stockholders or members and other persons.” Note that while the corporation can be held liable to a third party for simple negligence committed by an acting director, trustee or officer in its behalf, the latter can only be made liable personally when he acts with fraud or gross negligence.

The rule embodied under Section 31 of the old Corporation Code carried the second branch of the Business Judgment Rule to the effect that directors, trustees, or officers who act in the name of the corporation in the lawful pursuit of its business affairs do not become liable for the losses sustained by the corporation, or damages incurred, unless it is shown that they have breached their fiduciary duties of diligence or loyalty. Properly understood, Section 31 provided for the exception to the general rule in the Law on Agency that directors, trustees or officers (i.e., agents) acting in behalf, and in pursuit of the business affairs, of the corporation (i.e., principal) are not personally liable for the damages sustained by parties dealing with the corporation, or those adversely affected by the pursuit of the corporate business enterprise.

Starting with its decision in *Tramat Mercantile, Inc. v. Court of Appeals*, the Supreme Court has interpreted the legal effect of Section 31 to mean that as a general rule directors, trustees or officers do not become personally liable for acts, contracts and transaction entered into in behalf of and in pursuit of the corporate business enterprise, thus:

Personal liability of a corporate director, trustee or officer along (although not necessarily) with the corporation may so validly attach, as a rule, only when: (a) He assents: (i) to a patently unlawful act of the corporation; (ii) for bad faith or gross negligence in directing its affairs; (iii) for conflict of interest, resulting in damages to the corporation, its shareholders or other persons (Sec. 31, Corporation Code); (b) He

consents to the issuance of watered stocks or who, having knowledge thereof, does not forthwith file with the corporate secretary his written objection thereto (now Section 65, Corporation Code); (c) He agrees to hold himself personally and solidarily liable with the corporation (*De Asis & Co., Inc. v. Court of Appeals*, 136 SCRA 599 [1985]); (d) He is made, by a specific provision of law, to personally answer for his corporate action (Exemplified in what is now Section 170, Corporation Code; also Section 13, P.D. No. 115, or the Trust Receipts Law).

By the use of the phrase “may so validly attach, as a rule, only when,” it is clear that the Court emphasizes that the general rule is that directors, trustees and other corporate officers are not personally liable for corporate debts, and that the only time they do become personally liable is on the specifically enumerated four areas indicated in the formula. The enumerative manner by which *Tramat Mercantile, Inc.* has effectively limited the cases when a director, trustee or officer may be held liable has been reiterated verbatim in a long line of subsequent decisions of the Supreme Court.

In the waning years of the old Corporation Code, the Supreme Court in its decision in *Virata v. Ng Wee*, formally discussed the “fiduciary duty of directors to all stakeholders,” and firmed-up the legal basis in support of the doctrine that directors, trustees and officers owe fiduciary duty of diligence to particular creditors of corporations, namely, investors in the corporation’s debt instrument.

Among the critical issues resolved in *Virata v. Ng Wee* was whether the Vice-President for Operations, not a member of the Board, and who signed in an official capacity the agreement extending a credit line to Power Merge under terms that defrauded some of the investors (*Ng Wee*) in debts instruments of *Wincorp* (an investment house) could be held personally liable for the loss sustained by the investors under what is now Section 30 of the Revised Corporation Code: “Petitioner *Reyes* relies on the black letter law in his bid for absolution.

He claims that he is not a director of *Wincorp*, but its Vice-President for Operations. Thus, he can only be held liable under the second paragraph of the provision. As can be read, officers are only precluded from acquiring or attempting to acquire any interest in conflict with that of the company he is serving. There being no allegation of him being guilty of conflict of interest, *Reyes* argues that he cannot be held liable under the provision.”

In holding that the argument was bereft of merit, the Court held - ascribing liability to a corporate director, trustee, or officer by invoking [what is now Section 30 of the Revised Corporation Code] is distinct from the remedial concept of piercing the corporate veil. While [Section 30] expressly lays down specific instances wherein the mentioned personalities can be held liable in their personal capacities, the doctrine of piercing the corporate veil, on the other hand, is an equitable remedy resorted to only when the corporate fiction is used, among others, to defeat public convenience, justify wrong, protect fraud or defend a crime.

Applying the doctrine, petitioner cannot escape liability by claiming that he was merely performing his function as Vice-President for Operations and was duly authorized to sign the Side Agreements in *Wincorp*’s behalf. The Credit Line Agreement is patently contradictory if not irreconcilable with the Side Agreements,



which he executed on the same day as the representative for Wincorp. The execution of the Side Agreements was the precursor to the fraud. Taken with Wincorp's subsequent offer to its clients of the "sans recourse" transactions allegedly secured by the Promissory Notes, it is a clear indicia of fraud for which Reyes must be held accountable.

A careful reading of the foregoing portion of *Virata v. Ng Wee* clearly implies the doctrine, that outside of fiduciary duties of diligence and loyalty contained in Section 30 of the Revised Corporation Code, directors, trustees and officers can be held solidarily liable with the corporation for the damage suffered by creditors and other stakeholders in their dealings with the corporation by the application of the fraud piercing doctrine. In other words, the commission of fraud itself in the pursuit of corporate contracts and transactions by itself constitutes an actionable basis under tort laws to make acting directors, trustees or officers solidarily liable to creditors and other stakeholders suffering injury by reason thereof.

The other critical issue resolved in *Virata v. Ng Wee* was whether directors (Cua and the Cualopings) who approved the credit lines extended to Power Merge on the basis of the favorable recommendation of "the screening committee [who] found the application to be above board," and without knowledge of the execution of the fraudulent Side Agreements, could be held personally liable under what is now Section 30 of the Revised Corporation Code, there being now showing that they acted with fraud. In defining the personal liability of said directors, the Court laid down the general principles of the Board of Directors being "primarily charged with protecting the assets of the corporation in behalf of its stakeholders," thus:

Petitioners Cua and the Cualopings bewail that the above-quoted statement is overarching, sweeping, and bereft of legal or factual basis. But as per the records, the totality of circumstances in this case proves that they are either complicit to the fraud, or at the very least guilty of gross negligence, as regards the "sans recourse" transactions from the Power Merge account.

The board of directors is expected to be more than mere rubber stamps of the corporation and its subordinate departments. It wields all corporate powers bestowed by the Corporation Code, including the control over its properties and the conduct of its business. Being stewards of the company, the board is primarily charged with protecting the assets of the corporation in behalf of its stakeholders.

The Court then ruled on the personal liability of the directors to a creditor of the corporation, based on "fiduciary duty of diligence," thus:

Petitioners Cua and the Cualopings bewail that the above-quoted statement is overarching, sweeping, and bereft of legal or factual basis. But as per the records, the totality of circumstances in this case proves that they are either complicit to the fraud, or at the very least guilty of gross negligence, ...

Cua and the Cualopings failed to observe this fiduciary duty when they assented to extending a credit line facility to Power Merge. ... the SEC discovered that Power Merge is actually Wincorp's largest borrower at about 30% of the total borrowings. It was then incumbent upon the board of directors to have been more circumspect in

approving its credit line facility, and should have made an independent evaluation of Power Merge's application before agreeing to expose it to a P2,500,000,00.00 risk.

Had it fulfilled its fiduciary duty, the obvious warning signs would have cautioned it from approving the loan in haste. To recapitulate: This only goes to show that even if Cua and the Cualopings are not guilty of fraud, they would nevertheless still be liable for gross negligence in managing the affairs of the company, to the prejudice of its clients and stakeholders.

Under such circumstances, it becomes immaterial whether or not they approved of the Side Agreements or authorized Reyes to sign the same since this could have all been avoided if they were vigilant enough to disapprove the Power Merge credit application. Neither can the business judgment rule apply herein for it is elementary in corporation law that the doctrine admits of exceptions: bad faith being one of them, gross negligence, another. The CA then correctly held petitioners Cua and the Cualopings liable to respondent Ng Wee in their personal capacity.

The third critical issue resolved in *Virata v. Ng Wee* was whether a director (Estrella) who was merely a nominee in the Board on behalf of the Chairman, and who received no compensation or per diems in attending board meetings, could be held personally liable under what is now Section 30 of the Revised Corporation Code. In denying the defense, the Court referred to "a betrayal of the trust reposed by the corporate investors, clients, and stakeholders" upon the board and its individual members, thus:

The practice of installing undiscerning directors cannot be tolerated, let alone allowed to perpetuate. This must be curbed by holding accountable those who fraudulently and negligently perform their duties as corporate directors, regardless of the accident by which they acquired their respective positions.

In this case, the fact remains that petitioner Estrella accepted the directorship in the Wincorp board, along with the obligations attached to the position, without question or qualification. The fiduciary duty of a company director cannot conveniently be separated from the position he occupies on the trifling argument that no monetary benefit was being derived therefrom. The gratuitous performance of his duties and functions is not sufficient justification to do a poor job at steering the company away from foreseeable pitfalls and perils. The careless management of corporate affairs, in itself, amounts to a betrayal of the trust reposed by the corporate investors, clients, and stakeholders, regardless of whether or not the board or its individual members are being paid. The RTC and the CA, therefore, correctly disregarded the defense of Estrella that he is a mere nominee.

In its 2018 Resolution, *Virata v. Ng Wee*, affirmed in toto the foregoing rulings in dismissing the motions for reconsideration filed by the petitioning directors and officers of Wincorp, and thereby solidifying the doctrine that when it comes to corporations vested with public interests, such as financial intermediaries, directors, trustees and officers do owe a fiduciary duty of diligence not only to the shareholders, but to creditors and other stakeholders, who rely upon the Board and its officers to exercise their fiduciary duty of diligence in the management of the corporate business enterprise to protect their legitimate interests in the corporate assets.

The Revised Corporation Code, although retaining the same language on the liability of directors, trustees or officers under its Section 30, nevertheless instituted under Section 22 the special category of “corporations vested with public interests”, and thus imports the existing jurisprudence defining the obligation of such corporation to act with extraordinary diligence. In other words, all corporations classified as being vested with public interests pursuant to Section 22 of the Revised Corporation Code must necessarily come under the rule that they are expected to exercise the highest degree of diligence with the public they deal with or for whose interests they operate their business enterprise.

Under the fiduciary duty to exercise extraordinary diligence rule, an injured stakeholder need only to prove the amount of damages sustained from the acts, contracts or business transactions or operations of a corporation vested with public interests, and the burden to show that it has exercised extraordinary diligence would be on the part of said corporation.

The doctrine is taken from statutory and jurisprudential rules embodying another industry vested with public interest, namely common carriers. Under Article 1733 of the Civil Code, “Common carriers, from the nature of their business and for reasons of public policy, are bound to observe extraordinary diligence in the vigilance over the goods and for the safety of the passengers transported by them, according to all the circumstances of each case.”

In turn, Article 1755 defines “extraordinary diligence” as the obligation of the common carrier to carry its passengers safely as far as human care and foresight can provide, using the utmost diligence of a very cautious person, with due regard for all the circumstances. By reason therefore, Article 1756 provides that “In case of death of or injuries to passengers, common carriers are presumed to have been at fault or to have negligently, unless they prove that they observed extraordinary diligence.”

The underlying statutory rules imposing the duty to exercise extraordinary diligence on the part of common carriers have given rise to the rule of liability of common carriers well-expressed in *Tiu v. Arriego*, 437 SCRA 426 (2004), thus:

Upon happening of the accident, presumption of negligence arises at once, and it becomes the duty of a common carrier to prove that he observed extraordinary diligence in the case of his passengers. To overcome such presumption of negligence, the carrier must show: (a) The utmost diligence of very cautious persons as far as human care and foresight can provide; or (b) That the accident was caused by fortuitous event.

The negligence of employee gives rise to the presumption of negligence on the part of employer, the purpose of which is primarily intended to provide compensation for the death or bodily injuries suffered by innocent third parties or passengers as a result of negligent operation and use of motor vehicles.

The Supreme Court has defined “extraordinary diligence” as that extreme measure of care and caution which persons of unusual prudence and circumspection observe for securing or preserving their own property or rights. This exacting standard imposed is intended to tilt the scales in favor of the shipper who is at the mercy of the common



carrier once the goods have been lodged for shipment. When employee's negligence causes damage or injury, there arises presumption juris tantum that employer failed to exercise diligentissimi patris families in selection or supervision of employees.

Presumption of Negligence When Passengers Die or Injured – In carriage of passengers, by reason that the common carrier is bound by duty to observe extraordinary diligence in pursuit of its business, it is presumed that common carrier was at fault/negligent if passenger dies or is injured. Unless presumption is rebutted, courts need not make an express finding of fault or negligence on the part of the common carrier.

It should then follow that for all corporation vested with public interests under or pursuant to Section 22 of the Revised Corporation Code, they are deemed to be bound to exercise extraordinary diligence in considering and protecting the interests of stakeholders who are affected directly by the nature of their business enterprise; and the moment they suffer any injury due to the act, contract or pursuit of such business enterprise, then the corporation is ipso jure deemed negligent and liable unless it can prove that it has exercised extraordinary diligence in the selection and supervision of its employees and representatives. In the same manner, the Board of Directors, as the repository of all corporate powers is deemed to have failed to exercise extraordinary diligence in pursuing the affairs of the corporation and in the selection and supervision of its acting officers and employees, become solidarily liable with the corporation for the damages sustained by the injured stakeholders.

*(This article reflects the personal opinion of the author and does not reflect the official stand of the Management Association of the Philippines or the MAP).*

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*Atty. CESAR L. VILLANUEVA is Chair of MAP Corporate Governance Committee, Trustee of Institute of Corporate Directors (ICD), the first Chair of Governance Commission for GOCCs (GCG - August 2011 to June 2016), Dean of the Ateneo Law School (April 2004 to September 2011), and Founding Partner of Villanueva Gabionza & Dy Law Offices.  
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# CALL FOR DONATIONS for Victims of Super Typhoon "ODETTE"



**CARITAS MANILA**  
*church of the poor*



*Photos from YSLEP Scholars in Diocese of San Carlos*



*Photos from YSLEP Scholars in Diocese of San Carlos*

## CALL FOR DONATIONS: SUPER TYPHOON #OdettePH VICTIMS



*Courtesy to Bro. Rey Barnido of Duyog Marawi*



*Courtesy to Bro. Rey Barnido of Duyog Marawi*

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# PPCRV's Request for MAP Members to Support its "Adopt A Province, Adopt 1,000 Volunteers" Program



*Ramon V. Del Rosario Sr. Center for Management Excellence  
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Ayala Triangle, Ayala Avenue  
1226 Makati City, Philippines  
Tel: (632) 7751-1150 to 52  
E-Mail: [map.map@map.org.ph](mailto:map.map@map.org.ph)  
MAP Website: [map.net.ph](http://map.net.ph)*

November 22, 2021

Circular No. 121 - 2021

Subject: **PPCRV's Request for MAP Members to Support its  
"Adopt A Province, Adopt 1,000 Volunteers" Program**

Dear MAP Member:

On behalf of the MAP Board of Governors, I would like to encourage you to accommodate the request of the Parish Pastoral Council for Responsible Voting (PPCRV) for MAP members, like you, to support its **"Adopt A Province, Adopt 1,000 Volunteers"** Program.

Attached for your reference is the letter from PPCRV Chair Myla Villanueva.

This program is aligned with MAP's deep involvement in Voter Registration and Voter Education.

For inquiries, please contact PPCRV Volunteer and MDI-Novare Technologies, Inc. Senior Treasury Analyst Dianne Zantua via +63915-261-5677 or <[dianne.zantua@mdi.net.ph](mailto:dianne.zantua@mdi.net.ph)>.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Aurelio R. Montinola III'.

**AURELIO R. MONTINOLA III**  
President





# PARISH PASTORAL COUNCIL FOR RESPONSIBLE VOTING

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November 22, 2021

**MR. AURELIO R. MONTINOLA III**  
**PRESIDENT**  
**MANAGEMENT ASSOCIATION OF THE PHILIPPINES**  
Ramon V. del Rosario Sr. Center for Management Excellence  
Unit 608, Ayala Tower One, Ayala Triangle,  
Ayala Avenue, 1226 Makati City

Dear Gigi,


I hope this letter finds you and the MAP organization staying safe and doing very well.

We would like to extend our sincerest gratitude for the donation that we received from your organization. Our voter's education values formation campaign is warmly received by our volunteers. We conducted a Training of Trainers Summit and three region-specific launch forums for Luzon, Visayas and Mindanao. The volunteers were fully engaged with the materials used. They are looking forward to share the voter's education materials in their own communities. We will be conducting the 2<sup>nd</sup> part of our voter's education on the technical skills needed to be a volunteer by end of January 2022.

On May 9, 2022, PPCRV will field around 500,000 volunteers from parishes all over the Philippines. Our volunteers will help in guarding the votes of over 61 million Filipinos trooping to some 87,000 precincts in 145 cities nationwide. PPCRV is the accredited Citizen's Arm of the COMELEC that will conduct Poll watching and the Unofficial Parallel Count. Most of our volunteers come from parishes all over the country and donate their time. Let us be one with them in this mission, especially during a pandemic.

We would like to request for your support to encourage your members to help us in this noble cause. Can they please Adopt a Province? Php 100,000 will go to 1,000 volunteers and their logistical needs on Election Day. We will provide ballpens, masks and alcohol supplies, as our volunteers are braving a pandemic the entire Election Day. The more we raise the more we can support their other needs such as transport and food and protection.

We are less than six months away from May 9. Time is short; the mission, urgent. But with your support, we will achieve our goal of Clean, Honest, Accurate, Meaningful, and Peaceful elections. We hope to receive positive feedback from your members with their pledge to help PPCRV. Christmas is near. Why not pool your friends and ADOPT A PROVINCE TOGETHER as a most meaningful exchange and be one that is "Gifted to Give"? It means a lot to our Volunteers.

Sincerely,  
  
Myla Villanueva  
Chairperson  
PPCRV



**BDO Unibank Inc.**

Bank Name

**BGC Inoza Tower**

Branch

**Parish Pastoral Council for Responsible Voting**

Account Name

**012 338002808**

Account Number



## FORTHCOMING EVENTS

**January 27, 2022 (Thursday, 10:00 AM to 11:30 AM)**  
**FINEX-MAP-MBC Special Joint GMM with Ms. MARIA RESSA**

**January MAP Special GMM on Tourism**

**January 19, 2022 (Wednesday, 11:00 AM to 12:00 Noon)**  
**BusinessWorld Webinar on**  
***"Evaluating Efficiency: Workplace Productivity in the New Normal"***

**January 19, 2022 (Wednesday, 5:00 PM to 6:30 PM)**  
**MAP Arts & Culture Lecture on Kaiseki Dinner**

**January 26, 2022 (Wednesday, 11:00 AM to 12:00 Noon)**  
**BusinessWorld Webinar on**  
***"Digital Banks and the Transformation of the Financial Sector"***

**January 28, 2022 (Friday, 9:00 AM to 11:00 AM)**  
**1-HR.X - John Clements – MAP Webinar on**  
***"The Future of Leadership is Cultural Agility"***

**February 10, 2022 (Thursday, 12:30 PM to 2:30 PM)**  
**MAP Economic Briefing**

**February 23, 2022 (Wednesday, 5:00 PM to 6:30 PM)**  
**MAP Arts & Culture Lecture on Philippine History**  
**with Dr. AMBETH OCAMPO**

**March 16 (Wednesday, 5:00 PM to 6:30 PM)**  
**MAP Arts & Culture Lecture on Wine Appreciation**

**March FINEX-MAP-MBC Joint Presidentiables Forum Series**



# 73<sup>rd</sup> MAP INAUGURAL MEETING 2022 and INDUCTION OF MAP 2022 BOARD OF GOVERNORS

January 13, 2022, Thursday, 12:30 PM to 2:30 PM via ZOOM

## Guest Speaker and Inducting Officer:



**Governor BENJAMIN “Ben” E. DIOKNO**  
*Bangko Sentral ng Pilipinas (BSP)*

MAP Theme for 2022:

**PUSH FOR CHANGE**  
Towards a Better Future for All

## MAP 2022 Board of Governors:



*President:*  
**Mr. ALFREDO “Fred” E. PASCUAL**  
Lead Independent Director  
SM Investments Corporation



*Vice President:*  
**Dr. DONALD PATRICK “Donald” LIM**  
Chief Operating Officer  
DITO CME Holdings, Inc.



*Assistant Secretary:*  
**Atty. ALEXANDER “Alex” B. CABRERA**  
Chair Emeritus and ESG Leader  
Isla Lipana & Co./PwC Philippines



*Treasurer:*  
**Mr. WILSON P. TAN**  
Chair and Country Managing Partner  
SGV & Co.



*Governor:*  
**Dr. CIELITO “Ciel” F. HABITO**  
Chair  
Brain Trust, Inc.



*Assistant Treasurer:*  
**Mr. ROMEO “Romy” L. BERNARDO**  
Managing Director  
Lazaro Bernardo Tiu & Associates



*Governor:*  
**Dr. MELITON “Chito” B. SALAZAR JR.**  
President and CEO  
PHINMA Education Holdings, Inc.



*Secretary:*  
**Ms. MARIANNE “Maan” B. HONTIVEROS**  
Managing Director  
CEO Advisors, Inc.



*Governor:*  
**Mr. ROGELIO “Babes” L. SINGSON**  
President and CEO  
Metro Pacific Water

This event is FREE for MAP Members and Guests.

Webinar ID : 821 4054 1799  
Passcode : MAPGMM113

MAP Circular No. 001 - 2022

AS CLIMATES CHANGE, PANDEMICS ARRIVE,  
INEQUALITIES RISE AND MOBILITY/MIGRATION  
FURTHER INTENSIFIES...

# THE FUTURE OF LEADERSHIP IS CULTURAL AGILITY

COMPLIMENTARY THOUGHT LEADERSHIP WEBINAR FOR LEADERS



**Dr. PAULA CALIGURI**

Distinguished Professor  
of International Business and Strategy  
D'Amore-McKim School of Business,  
Northeastern University



**Mr. STEPHEN KREML**

CEO, Kreml Communications International  
Corporate Communications Coach  
Global Trainer / Bestselling Author



Welcome Remarks

**ALFREDO E. PASCUAL**

· President, Management Association  
of the Philippines (MAP)

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February 10, 2022, Thursday, 12:30 PM to 2:30 PM via ZOOM



**MAP ECONOMIC BRIEFING**  
and  
**GENERAL MEMBERSHIP MEETING**

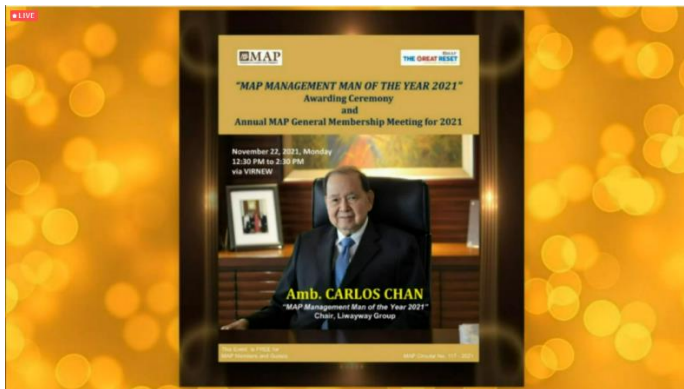
# MAP Talks on Youtube

<https://www.youtube.com/user/TheMAPph>

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## Video Recording of November 22, 2021 “MAP Management Man of the Year 2021” Awarding Ceremony and MAP Annual General Membership Meeting

1. Video recording of November 22, 2021 “MAP Management Man of the Year 2021” Awarding Ceremony and MAP Annual General Membership Meeting



<https://www.facebook.com/map.org.ph/videos/326360865554281>

<https://www.youtube.com/watch?v=wlwo8hGMTpo>

## Video Recording of 2<sup>nd</sup> MAP NextGen Conference

2. November 12, 2021 MAP NextGen CEO Conference on “The Good NextGen CEO: Steward of the Future”



<https://www.youtube.com/watch?v=zMd6j1EqXgA>



## Video Recordings of MAP GMMs

2. **October 25, 2021** MAP Special General Membership Meeting on “Ensuring Clean, Honest, Accurate, Meaningful and Peaceful Elections” with COMELEC Commissioner MA. ROWENA AMELIA V. GUANZON and Parish Pastoral Council for Responsible Voting (PPCRV) Chair MYLA C. VILLANUEVA as speakers and Mr. AUGUSTO “Gus” C. LAGMAN, National Chair of National Citizens' Movement for Free Elections (NAMFREL), Atty. CHRISTIAN “Chris” S. MONSOD, Chair of Eleksyon 2022 Koalisyon, and Dr. RONALD “Ron” U. MENDOZA, Dean of Ateneo de Manila University - School of Government (ASOG)
3. **October 12, 2021** MAP General Membership Meeting on "Addressing the Learning (Education) Crisis” with Secretary LEONOR M. BRIONES of the Department of Education (DepEd), Ms. RINA LOPEZ BAUTISTA, Co-Founder and President of Knowledge Channel Foundation, and Mr. RAMON R. DEL ROSARIO, JR., Chair of Philippine Business for Education (PBE)
4. **September 7, 2021** MAP-PMAP Annual Joint General Membership Meeting (GMM) on “Leap-frogging Digital Talent Development” with Ms. JO ANN ROSARY ASETRE, APAC Customer Success Manager of Lee Hecht Harrison, Usec. EMMANUEL REY R. CAINTIC, Undersecretary for Digital Philippines of the Department of Information and Communications Technology (DICT), Sec. FORTUNATO T. DE LA PEÑA of the Department of Science and Technology (DOST), Mr. REX WALLEN TAN, General Manager of Hopkins International Partners, Inc., and EurIng. HENRY K. H. WANG, International Advisor and Author, President of Gate International and Member of G20/B20 Global Taskforce, as speakers
5. **August 25, 2021** MAP Special GMM on “ADDRESSING THE COUNTRY’S HUNGER PROBLEM” with Cabinet Secretary KARLO A.B. NOGRALES, Philippine Business for Social Progress (PBSP) President REYNALDO ANTONIO D. LAGUDA, and Ms. MARGOT TORRES, Private Sector Lead of *Pilipinas Kontra Gutom!* As speakers; and *Tanging Yaman* Foundation Chair, Fr. MANUEL V. FRANCISCO, S.J.!, Brain Trust, Inc. Chair, Dr. CIELITO F. HABITO, and Maginhawa Community Pantry Founder ANA PATRICIA NON as Reactors
6. **August 18, 2021** MAP Arts & Culture Lecture and Virtual Tour of “*HERITAGE AND ANCESTRAL HOMES*” featuring Ms. JOVY ACUZAR, Corporate Marketing Director of *Las Casas Filipinas de Acuzar*, and Mr. DEXTER MANANSALA, Arts & Culture Director of *Las Casas Filipinas de Acuzar*
7. **August 10, 2021** MAP General Membership Meeting on “ENSURING THE COUNTRY’S ENERGY SECURITY” with Sen. SHERWIN T. GATCHALIAN, Chair of Senate Committee on Energy, as the main speaker and Atty. RAY C. ESPINOSA, President and CEO of MERALCO, Atty. JOSE M. LAYUG, JR., President of Developers of Renewable Energy for AdvanceMent, Inc. (DREAM), and Atty. ANNE E. MONTELIBANO, President of Philippine Independent Power Producers Association (PIPPA), as Reactors

7. **July 13 2021** MAP General Membership Meeting on “Governance Champions: HOW INDEPENDENT DIRECTORS CREATE VALUE?” with Atty. ANGELICA “Nenet” LAVARES, Director of Metrobank and Prulife UK; Mr. ALFREDO “Fred” E. PASCUAL, Lead Independent Director of SM Investments Corporation, Ms. FLORENCIA “Flor” G. TARRIELA, Former Independent Director and Board Chairwoman of the Philippine National Bank (PNB) and the first and only Independent Director Chairwoman in the Commercial Banking Industry; and Mr. ROMAN ZYLA, Senior Corporate Governance Officer and currently the Regional Corporate Governance Lead for East Asia Pacific of the International Finance Corporation; as Panelists; and Mr. JONATHAN JUAN “JJ” DC. MORENO, Co-Vice Chair of the MAP Corporate Governance Committee and Chief Strategy and Governance Officer of Metro Retail Stores Group, Inc. (MRSGI), as Emcee/Moderator.
  
8. **June 8, 2021** MAP General Membership Meeting on "ADDRESSING THE CLIMATE CRISIS" with Deputy Speaker LOREN LEGARDA, Representative of Lone District of Antique of House of Representatives, Mayor ANDRES “Andy” D. DANGEROUS, Mayor of Municipality of Sablayan, Occidental Mindoro, and Mr. ILLAC ANGELO “Illac” A. DIAZ, Founder and Executive Director, Liter of Light and MyShelter Foundation

## Video Recording of the September 14, 2021 MAP International CEO Conference



**FACEBOOK** - <https://www.facebook.com/map.org.ph/videos/914003119213053>  
**YOUTUBE** – [www.youtube.com/TheMAPph](http://www.youtube.com/TheMAPph)  
**Speakers’ presentations** <https://mapceoconference.ph>

## Article/Paper from MAP Members

**“Who’s afraid of RCEP?”**  
 from MAP Governor CIELITO “Ciel” F. HABITO’s  
 “No Free Lunch” Column in the PHILIPPINE DAILY INQUIRER on  
 January 4, 2022

The RCEP train has left without us, but by our own choice. At the start of the year, the world’s biggest regional economic pact to date, the Regional Comprehensive Economic Partnership, came into force. Oppositors fearing dire consequences from our joining the agreement have convinced our senators to sit on its ratification. Of its 15 signatories—the 10 Asean member states and five of their largest trading partners China, Japan, South Korea, Australia, and New Zealand—10 had already ratified the agreement to set it in

motion on Jan. 1. South Korea's legislature ratified it on Dec. 2, putting them on board on Feb. 1 (60 days after ratification). That leaves Indonesia, Malaysia, Myanmar, and the Philippines as the only ones yet to get on board.

Apprehensions being raised against our joining the RCEP remind us of those that surrounded our accession to the World Trade Organization (WTO) in 1995, and to the Asean Free Trade Agreement (AFTA) in 1992. As a direct participant in the senior officials' negotiations in 1991 for the latter, I recall how our Asean counterparts called out our country then (along with Indonesia) for being the "drag" on proceeding with the pact. We stood out as raising the most objections and exceptions to easing trade barriers especially on "sensitive" agricultural products, particularly rice and sugar. And as we later ratified the WTO agreement, we likewise held back on liberalizing farm products, especially rice, for which we obtained a time-bound waiver on the agreed commitment to eliminate import quantitative restrictions (QRs) and convert them into more transparent tariff protection (aka "tariffication").

When the 2005 deadline for the waiver came, we sought an extension to 2012, then asked for yet another extension to 2017, by which time we had the dubious distinction as the only remaining country in the world with rice QRs. Beyond rice, we also set import tariffs of 30-50 percent for meats, vegetables, sugar, and rice, with the highest rate on the last two (even as the government actually continued to control and restrict their imports). With all other import tariffs already within 0-30 percent since the 1990s, these farm products became our most highly protected commodities, as the bias of our trade protection actually shifted from manufacturing to agriculture in the 1990s. This is quite contrary to what left-leaning critics claim that our agriculture saw "unbridled liberalization."

Let's face it: Our stunted agriculture really traces to persistent government mishandling of the sector, and bridling farm trade only abetted that. It allowed our past agriculture authorities to sleep on the job, and at worst, misuse the funds meant to help modernize our farms and fisheries and achieve enhanced competitiveness. It led production costs, hence domestic food prices, to rise over time, making our poor more and more food insecure—while it became increasingly attractive to smuggle these commodities in, with the widening price differential yielding fabulous profits. How do we explain that our neighbors, full WTO members, saw their farm sectors leave ours far behind?

The RCEP hardly changes our trade commitments already prevailing under the AFTA and the existing bilateral Asean FTAs with the five other countries. Its main difference lies in how those other five countries now also have FTAs with one another where none existed before. India, originally part of the RCEP initiative, left at the last minute for fear of opening trade with formidable China. But we've already had open trade with China under the Asean-China FTA since 2010, as we do with all other RCEP members under the AFTA and the other bilateral Asean FTAs with the rest. So what is there to be afraid of?

Staying out of the RCEP, and restricting farm trade in general, is like keeping the training wheels on a child's bicycle indefinitely, which only retards his ability to bike on his own. I'd say it's time we looked more at the RCEP's opportunities (and there are many) rather than cower in paranoia and defeatist mindsets. If we only truly help our

farmers the way we should, I believe our farms and farmers could come out the stronger for it.

cielito.habito@gmail.com

## Happy Birthday to the following MAP Members who are celebrating their birthdays within January 1 to 31, 2022

### January 1

1. Mr. ADOR A. ABROGENA, EVP, BDO Unibank, Inc.
2. Usec. ROWENA CRISTINA "Gev" L. GUEVARA, Undersecretary for Research and Development, Department of Science and Technology (DOST)
3. Mr. MANUEL "Manny" L. WONG, General Manager, Acer Philippines, Inc. January 1

### January 2

4. Mr. JOSE MARIA "Hochi" A. ABAYA, Chair, Cagayan Electric Power & Light Company, Inc. (CEPALCO)

### January 3

5. Mr. LAURENT P. LAMASUTA, President and CEO, Ayala Properties Management Corporation (APMC)

### January 4

6. Mr. ALLEN L. LEE, President and General Manager, MESCO, Inc.
7. Mr. NELSON C. PAR, Chair, Pascal Resources Energy, Inc.
8. Ms. ELIZABETH "Liza" CARLOS TIMBOL, COO and SEVP, Guagua Rural Bank, Inc. (GRBank)

### January 5

9. Mr. RAYMUND "Ray" T. AZURIN, Chief Executive, Zuellig Pharma Corporation
10. Mr. FRANCISCO "Paquito" A. DIZON, Chair and President, Pacific Northstar, Inc.
11. Mr. FERNANDO "Fern" O. PEÑA, President, MOF Company (Subic), Inc.
12. Engr. TELESFORO "Porsche" E. PEÑA, Founder, T & D Design Consultancy, Co.
13. Dr. TONY TAN CAKTIONG, Chair, Jollibee Foods Corporation

### January 6

14. Mr. JOSE JEROME "Jeng" R. PASCUAL III, Independent Director, Philippine Dealing System (PDS) Group
15. Ms. LOLY N. UY, CFO, San Roque Supermarket Retail Systems, Inc. (SRS)

### January 7

16. Mr. ARMANDO "Armand" S. NG, General Manager, Asia Cargo Container Line Inc.
17. Mr. BENJAMIN R. "Ben" PUNONGBAYAN, Founder, P&A Grant Thornton

### January 8

18. Mr. RICO T. BAUTISTA, President and CEO, Etiqa Philippines
19. Mr. JOSE "Jomie" S. FRANCISCO, President, Wire Rope Corporation of the Philippines (A DMCI Holdings, Inc. subsidiary)
20. Dr. JAIME "Jimmy" C. LAYA, Chair, Philtrust Bank
21. Mr. BERNIDO "Bernie" H. LIU, CEO, GOLDEN ABC, Inc.
22. Atty. RICARDO "Dick" J. ROMULO, Senior Partner, Romulo Mabanta Buenaventura Sayoc & de los Angeles

### January 9

23. Ms. LORRAINE "Rain" BELO CINCOCHAN, President and CEO, Wilcon Depot, Inc.
24. Mr. JEFFREY JOHNSON, SVP for Human Capital Resource Management, Teleperformance
25. Mr. RICHMOND D. LEE, Founder and Director, ATLASOFFICE, INC.

### January 10

26. Ms. MARIA NOEMI "Noemi" G. AZURA, President and CEO, Insular Healthcare Inc.
27. Dr. ROBERTO "Bobby" F. DE OCAMPO OBE, Chair and CEO, Philippine Veterans Bank
28. Mr. FREDERIC "Ricky" C. DYBUNCIO, President and CEO, SM Investments Corporation
29. Mr. SEBASTIAN "Baste" C. QUINIONES JR., Executive Director, Pilipinas Shell Foundation, Inc.

### January 11

30. Mr. ELMER U. SARMIENTO, President and CEO, Royal Cargo Inc.

### January 12

31. Cong. HARRY C. ANGPING, President, AP Genco North Services, Inc.
32. Mr. DANILO "Danny" VALENTON FAUSTO, President, DVF Dairy Farm, Inc.
33. Mr. WILSON P. TAN, Chair and Managing Partner, SGV & Co., EY Member Firm

### January 13

34. Mr. MANUEL "Manny" U. AGUSTINES, Chair, Ramcar, Inc.

### January 15

35. Mr. FRANCISCO "Frankie" C. EIZMENDI JR., Chair, Dearborn Motors Company, Inc.

### January 16

36. Mr. OSCAR B. BIASON
37. Mr. KASIGOD "Kas" V. JAMIAS, President and CEO, The Zuellig Corporation

### January 17

38. Mr. ANTONIO "Tony" A. TURALBA, Chair, President and CEO, Active Group, Inc.

### January 18

39. Mr. VICTOR "Vic" Y. LIM JR., President, Banco Mexico Inc.
40. Mr. ROBERTO "Bert" G. MANABAT, Independent Director, Union Bank of the Philippines

### January 19

41. Mr. LUIS M. "Louie" CAMUS, Chair and President, L. M. Camus Engineering Corporation
42. Ms. MA. BELEN "Bel" B. LIM, CEO, Golden Press
43. Mr. GEORGE I. ROYECA, Chief Transport Advocate, DBDOYC, Inc.

### January 20

44. Dean RODOLFO "Rudy" P. ANG, Vice President for Administration and Information Systems, Ateneo de Manila University
45. Mr. ROBERTO "Dondi" D. BALTAZAR, EVP, Philippine National Bank (PNB)
46. Ms. MARICRIS "Cris" MEDINA CAMPIT, President and CEO, Airfreight 2100 Inc. (AIR21)
47. Mr. SANTIAGO "Santi" F. DUMLAO JR., Secretary-General, Association of Credit Rating Agencies in Asia (ACRAA)
48. Ms. ANNA GREEN, CEO, Australia and New Zealand Banking Group

### January 21

49. Mr. RAMON "Mon" L. JOCSON, COO, Bank of the Philippine Islands (BPI)

### January 22

50. Dean PASCUAL "Al" SAYO GUERZON, President, Melior Realty Services

### January 23

51. Mr. VICENTE "Ting" R. AYLLON
52. Ms. JEANETTE "J'net" BAUTISTA ZULUETA, Chair, ZMG Ward Howell, Inc.

### January 24

53. Mr. YU MING CHIN, Executive Director, Viventis Search Asia
54. Mr. FELIPE ANTONIO "Felipe/ Poopi" P. ESTRELLA III, President, Volkswagen Philippines
55. Atty. ROBERTO "Bobby" P. LAUREL, President, Lyceum of the Philippines University (Manila, Makati, Cavite)
56. Mr. ALFREDO "Fred" B. PARUNGAO, President, Ligaya Management Corporation

### January 25

57. Mr. NESTOR E. CONSTANCIA, Marketing and Sales Manager, Gardenia Bakeries (Phils.), Inc.
58. Ms. ANA MARIE LORENZANA "Ana" DE OCAMPO, President and CEO, Wildflour Cafe + Bakery Corporation



### January 26

59. Mr. ROMEO “Romy” G. DAVID, Chair and President, BNL Management Corporation
60. Gen. JOSE “Joemag” P. MAGNO, Chair, Citra Metro Manila Tollways Corporation
61. Mr. ROMUALDO “Boyet” V. MURCIA III, Partner for Audit and Assurance, Punongbayan & Araullo
62. Ms. ELIZABETH “Beth” G. RABUY, General Manager and Director, FPD Asia Property Services, Inc.
63. Mr. ALFREDO “Fred” C. RAMOS, Chair, The Philodrill Corporation
64. Mr. RODOLFO “Jun” B. STA. MARIA JR., Chair and CEO, Paxforce Corporation
65. Atty. SYLVETTE Y. TANKIANG, Senior Partner, Villaraza & Angangco (V&A) The Firm

### January 27

66. Atty. FABIAN “Fame” K. DELOS SANTOS JR., Partner and Head of Tax Services, SGV & Co.
67. Mr. ANGELITO “Lito” VILLANUEVA, EVP and Chief Innovation and Inclusion Officer, Rizal Commercial Banking Corporation (RCBC)

### January 28

68. Mr. VIRGILIO “Vio” O. CHUA, President, SB Capital Investment Corporation

### January 29

69. Amb. FRANCISCO “Toting” V. DEL ROSARIO
70. Mr. JOSE EMMANUEL “Joel” P. GUILLERMO, President and Chief Executive, Royal Class Group of Companies
71. Mr. CARLOS MA. “Caloy” G. MENDOZA, Managing Director and Senior Country Officer, J.P. Morgan Chase Bank, N.A.

### January 30

72. Ms. ABIGAIL TINA “Gail” M. DEL ROSARIO, President and CEO – OIC and Head of Community Financial Services, Maybank Philippines, Inc.
73. Atty. SERAFIN “Jun” U. SALVADOR JR., Managing Partner, Salvador Llanillo & Bernardo, Attorneys-at-Law
74. Ms. EVELYN R. SINGSON, Vice Chair and President, Dusit Thani Philippines, Inc.

### January 31

75. Mr. EMMANUEL “Noel” D. BAUTISTA, Executive Director, Head of ASEAN, LF (Philippines), Inc.
76. Mr. KARIM MANUEL “Karim” G. GARCIA, VP for Business Development, Metro Pacific Investments Corporation (MPIC)

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