

## Philippines



The Philippines taxes Philippine residents on their worldwide income.

### Current Trends

The Bureau of Internal Revenue (BIR) has initiated several programs aimed at enhancing compliance with respect to residents with offshore accounts.

The Philippines' Tax Commissioner has also described the use of tougher tax enforcement tools in recent years, as including enhancements in data reconciliation to tax returns and the use of "name and shame" tactics when prominent business people are determined to be engaged in tax evasion.

The Philippines is expected to soon implement a FATCA agreement with the US and is expected to adopt CRS in the near future. Once implemented, these reciprocal automatic exchanges of information regimes will provide for cross-border reporting of Philippine accounts to the other participating countries and reporting of offshore accounts owned by Philippine residents to the Philippine tax authority.

### Direct and Indirect Ownership of Investment Accounts

Both the US FATCA regime and the OECD CRS regime require reporting of accounts held directly by the individual taxpayer and indirectly, through personal investment companies, trusts or foundations.

### Amnesty and Disclosure Regimes

None

Applicable Tax Transparency Regime		
US FATCA	✓	Pursuant to an "Agreement in Substance," Philippines is expected to provide tax information to US tax authorities, with respect to US persons owning accounts in Philippines. The final agreement may also provide for reciprocal reporting of US accounts owned by residents of Philippines to the Philippines tax authorities
UK CDOT	n/a	
EUSD	n/a	
OECD CRS	✓	Philippines is expected to adopt CRS in the near future
Tax Treaty Information Exchange	✓	Reciprocal exchange of information between Philippines and numerous countries, upon request

Other Tax-Related Considerations		
Voluntary Disclosure Program?	No	
Residents Taxed on a Worldwide Basis?	Yes	No specific rules to tax income of Controlled Foreign Corporations at shareholder level

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Note that all references to "resident," "residents" or "residence" is intended to be a reference to tax resident, tax residents or tax residence, under the applicable tax laws.