



FIRB Advisory 003-2024

FOR : All Investment Promotion Agencies (IPAs) and Other Government Agencies Administering Tax Incentives, Registered Business Enterprises (RBEs) and Other Registered Entities, and All Other Stakeholders Concerned

SUBJECT : **Circularizing Fiscal Incentives Review Board (FIRB) Resolution No. 003-24 increasing the investment capital threshold for projects delegated to Investment Promotion Agencies (IPAs) under the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act**

DATE : 19 February 2024

This Advisory is issued to circularize **FIRB Resolution No. 003-24**, which increased the investment capital threshold for projects delegated to the IPAs from PhP 1 billion and below, to **PhP15 billion and below**. The said resolution was unanimously approved via *ad referendum* by the members of the FIRB on 02 February 2024.

An electronic copy of this Resolution is also uploaded to the FIRB website or can be accessed through this link: <https://firb.gov.ph/resources/resolutions/>. In light of the threshold adjustment, please be advised that all tax incentive applications endorsed by the IPAs to the FIRB as of 02 February 2024, with investment capital of PhP 15 billion and below, shall be returned by the FIRB Secretariat to the concerned IPA for their appropriate action and subject to the existing procedures of the IPAs.

Meanwhile, all tax incentive applications with investment capital of more than PhP15 billion shall remain within the jurisdiction of the FIRB.

Notwithstanding the increase in the threshold, the FIRB together with the IPAs, retain their authority to monitor the compliance of registered business enterprises (RBEs) of their performance commitments as conditions for the continued enjoyment of incentives granted, regardless of the amount of investment capital.

For information and guidance.


JUVENCIO C. DANOFRATA
Assistant Secretary of Finance
Head of the FIRB Secretariat





FIRB Resolution No. 003 - 24
02 February 2024

WHEREAS, Section 297(B) of the National Internal Revenue Code (NIRC), as amended, provides that the grant of tax incentives to registered projects or activities with investment capital of One billion pesos (P1,000,000,000.00) and below shall be delegated by the Fiscal Incentives Review Board (FIRB) to the concerned Investment Promotion Agency (IPA) to the extent of the registered project or activity: *Provided*, That the FIRB may increase the threshold amount of One billion pesos (P1,000,000,000.00);

WHEREAS, The Board recognizes the need to increase the investment capital threshold to promote the ease of doing business in response to the concerns raised by some IPAs, and to align with the policy proposals in Congress which seeks to give more authority to the IPAs in granting incentives;

WHEREAS, The increase in threshold may already be enforced by the Board without the need for an amendment in the NIRC;

WHEREAS, The revised threshold is aligned with Section 7(a)(1)(i) of Republic Act No. 11966, otherwise known as the Public-Private Partnership (PPP) Code of the Philippines, which states that National PPP Projects with project cost of Fifteen billion pesos (P15,000,000,000.00) and above shall be approved by the inter-agency National Economic and Development Authority (NEDA) Board, upon favorable recommendation of the NEDA Board-Investment Coordination Committee (ICC);

WHEREAS, The proposed increase in the threshold will give greater responsibility and accountability to the IPAs as more projects will be under their jurisdiction;

NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, That the investment capital threshold for projects delegated to the IPAs, pursuant to Section 297(B) of the NIRC, as amended, shall be increased from One billion pesos (P1,000,000,000.00) and below to Fifteen billion pesos (P15,000,000,000.00) and below. *Provided*, that all applications for tax incentives with investment capital of more than Fifteen billion pesos (P15,000,000,000.00) shall remain with the FIRB;

RESOLVED, FURTHER, *That* all applications for tax incentives already endorsed by the IPAs to the FIRB, through the FIRB secretariat, at the time of the approval of this Resolution, with investment capital of Fifteen billion pesos (P15,000,000,000.00) and below, shall be returned to the concerned IPA for their appropriate action, subject to the existing procedures of the IPAs.

RESOLVED, FURTHER, *That* the FIRB, together with the IPAs, retains the power to monitor the compliance of all registered business entities (RBEs) of their performance commitments as conditions for the grant of tax incentives, regardless of the amount of investment capital.

RESOLVED, FURTHER, *That* the IPAs shall include approved projects with investment capital of Fifteen billion pesos (P15,000,000,000.00) and below in their monthly report to the FIRB secretariat using the prescribed monitoring template.¹

RESOLVED, FINALLY, *That* nothing in this *Resolution* shall affect the existing power and authority of the FIRB, as provided under Section 297(E) of the NIRC, as amended, to cancel, suspend or withdraw the enjoyment of tax incentives of all RBEs, regardless of the amount of investment capital.

This *Resolution* may be signed in any number of counterparts, each of which, when duly executed and sent by facsimile or electronic transmission to the Secretariat, shall be valid and effectual as if executed as an original, but all the counterparts (including counterparts sent by way of facsimile or electronic transmission) shall together constitute one and the same document.

Adopted by the Board via *ad referendum* on 02 February 2024.


AMENAH F. PANGANDAMAN
Secretary of Budget and Management



ARSENIO M. BALISACAN
Secretary of National Economic and Development Authority

¹ FIRB Form No. 2000MU.

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¹ FIRB Form No. 2000MU.



FREDERICK D. GO

Special Assistant to the President for Investment and Economic Affairs

ALFREDO E. PASCUAL

Co-Chairperson and Secretary of Trade and Industry

RALPH G. RECTO

Chairperson and Secretary of Finance

FREDERICK D. GO

Special Assistant to the President for Investment and Economic Affairs

A handwritten signature in black ink, appearing to read 'Alfredo E. Pascual', with a blue ink mark at the end of the signature.

ALFREDO E. PASCUAL

Co-Chairperson and Secretary of Trade and Industry

RALPH G. RECTO

Chairperson and Secretary of Finance

FREDERICK D. GO

Special Assistant to the President for Investment and Economic Affairs

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RALPH G. RECTO
Chairperson and Secretary of Finance
FEB 05 2024

