

# THE DIGI-LEDGER

The online publication of the PICPA Metro Manila Region, GAO and its four Chapters

AUGUST 2020 | [www.picpa.mmr.org](http://www.picpa.mmr.org) | [picpa.eventbank.com](http://picpa.eventbank.com)

## PICPA MMR conducts Joint Sectoral Summit

### Joint Sectoral Summit in Public Practice

The first ever Joint Sectoral Summit in Public Practice which was held via Zoom last August 20-21, 2020. Sponsored by Metro Manila Region (MMR), MM Geographical Area Office (GAO), and Eastern Metro Manila Chapter (EMMC) in partnership with the Association of CPAs in Public Practice (ACPAPP) and supported by the National Director in Public Practice. It was a day and a half event attended by luminaries in the profession that showcased best practices and the future in Public Practice in the midst of technological change and regulatory environment.

MM GAO Chair Maria Teresita Socorro Z. Dimaculangan welcomed guests, speakers and participants. Guests included PICPA Past National Presidents Mr. Ramonito D. Pernato, Atty. Josefe Sorrrera Ty, and Ms. Evelyn S. Corpuz. After honoring the Philippine Flag, ASEAN Champion Gamma Penumbra performed the Doxology which was followed by the Oath of CPAs led by Ms. Nenita R. Malbas, ACPAPP Southern Mindanao Past PICPA National Director. PICPA President Lope L. Bato, Jr. delivered his Message while National Director for Public Practice Katharine U. Sobremonte acted as the Master of the Ceremony.

In her Welcome Remarks, Chair Dimaculangan urged all accountants to bring together thru common learning the latest developments in different fields of specialization amidst the threat and uncertainty brought about by COVID 19 due to business closures. Similarly, PICPA National President Lope L. Bato, Jr. called on all CPAs to rise above the challenges amidst this pandemic and engage boldly to achieve the goals. He also enjoined those who are not yet members in good standing (MGS) to avail the reinstatement program by paying P1,000.00 and another P1,000.00 as membership fee.

### Cabreros on BIR Rev. Reg. No. 19-2020

In her address to public practitioners, BIR Deputy Commissioner Cabreros talked on BIR RR No. 19-2020 which was geared toward addressing possible tax leak to protect the taxbase as well as to ensure and improve BIR revenue collection. Its objectives are: (1) to ensure that proper disclosure of related party transactions are made and these transactions have been conducted at arm's length; (2) to improve and strengthen the BIR's transfer pricing (TP) risk assessment and audit; and (3) Informed decisions on whether or not, to conduct a thorough review/audit of a certain taxpayer.



This year RR 19-2020 was issued incorporated with Form 1709 supplemented by RMC 76-2020 as a guide for taxpayers. It prescribes the use of the new BIR Form No. 1709 or the Information Return on Related Party Transactions (Domestic and/or Foreign) revised from the Series of 1992. This issuance aims : (a) to ensure that proper disclosures of related party transactions are made; (b) to evaluate whether these transactions have been conducted at arm's length; and (c) to properly implement Philippine Accounting Standards 24 on Related Party Disclosures for tax purposes. From such disclosures, the BIR hopes to have an initial assessment of: (1) Total gross amounts of related party transactions per relationship type; (2) The impact of the RPT's on the financial position and profit or loss of the taxpayer; (3) The countries with whom the Philippine taxpayer has entered into related party transactions plus details about the foreign related party entity; and (4) For ease of reference when requesting information pursuant to the Exchange of Information provision of Double Tax Agreements.

Dep. Com. Cabreros completed the presentation by identifying the Related Party and Other Related Party Transactions taken from PAS 24, Related Persons or Close Member of family related to a reporting entity, Categories for related party disclosures, and Other Information.

### Reactors on BIR Rev. Reg. No. 19-2020

According to Atty. Eleanore L. Roque, Head of Tax Advisory and Compliance Division, P & A Grant Thornton, the issuance of RR 2019-2020 implementing the Related Party Transactions and Transfer Pricing has been demanding so much in so little time, "too much to soon". It has been made immediately applicable, and has not allowed taxpayers sufficient time to evaluate, assess, plan and even allocate resources. It even ignored the 4 page limitation for Annual Income Tax Return, and required submission of voluminous documents which lacked proper timing, considering the current WFH work-arrangements. There was also insufficient dissemination of information for taxpayers to learn and cope with complicated and voluminous requirements. She proposed for a gradual or phased implementation which should start from large taxpayers and pave the way of adopting a benchmark so as to lessen administrative costs. Nonetheless, Atty. Roque fully supports the BIR in implementing transfer pricing rules in the Philippines. She believes, this is in line with international best practices and aids the government in ascertaining we don't miss out on the collection of much needed taxes.



Atty. Carlo L. Navarro, Tax Partner, Navarro Amper & Co. (Deloitte Philippines) hopes for the development of transfer pricing policies in the Philippines and that BIR should set its focus on tax administration policy. He believes there should be a balance between the burden imposed on the taxpayers as well as on tax administration. The compliance burden on the part of taxpayers requires submission of voluminous documents and unnecessary contracts as well as proof of transactions related to foreign taxes. RR 19-2020 encompasses a broad coverage, that include even low risk entities and transactions. He believes the required submission of manual and paper base Form 1709 does not align with the required disclosures of risk assessment criteria stated in RAMO 1-2019. There is too much information written which are not essential for the risk assessment process. Atty. Navarro also notes it is more important to require disclosure of relevant details such as profitability of parties and methodologies used in the TP documentation that are crucial to risk assessment. His suggestion to help improve tax collection in this category are (1) to reduce the information/attachments required, (2) to limit the required disclosures to material transactions, (3) to consider the size of companies, and (4) to restrict covered domestic transactions to those with material risks.



Reactors to page 2

### ACCA on the future of audit



Mr. Antonis Diolas, the Head of Audit and Assurance of ACCA Professional Insights based in London, leads policy matters contributing to professional insights. He engages in local and international levels with key organizations such as UK Financial, Financial Reporting Council, IASB and Accountancy Europe.

His presentation on the Future of Audit was taken from Research and Leadership Reports done by ACCA with other organizations. On 2016, ACCA in partnership with Grant Thornton conducted a research involving the Future of Audit. They run a series of round table discussion in China, European Union, Singapore, South Africa, United Arab Emirates, United Kingdom and Ukraine to ensure different business environment and characteristics were covered. Among others, it was found that those countries with long history of auditing were viewing audits differently.

Less developed countries were trying to cope with various requirements from regulations in standard setting while those from more developed countries wanted to know more on how technology can help and found that auditors need a wider set of skills and be more adaptable to change.

According to Mr. Diolas, a research done with the Chartered Accountants of Australia and New Zealand showed the need for auditors to enhance their auditing skills as well as the readiness in understanding technology. In a series of interviews and panel discussions made in

Greece, Czech Republic and Slovakia, it was found that technology played a significant factor which sometimes was a barrier, as it demanded more investments. The second research "Meaningful for the Digital Professional" with EY is based on motivation to do the work. Accountants in Finance and in practice seek more or move toward a greater component in digital technology, seeking more tools than they used in the past. For the digital professional, it means a pivot to greater engagement with digital. There is even a roadmap that scans the purpose, strategy and delivery of the organization to make it more meaningful.



FOLLOW US  
[facebook.com/picpa\\_mmr](https://facebook.com/picpa_mmr)  
[www.glupeup.com](http://www.glupeup.com)

## Reactors...from page 1

Atty. Cabrera makes reference to Section 50 of NIRC authorizing the Commissioner to allocate income or deductions to related party. He agrees with his co-reactors on the required submission of voluminous documents for compliance, because when tax investigation comes, BIR will be asking again the same set of documents. Such situation calls for a waste of resources that affects even the environment. As suggested, these documents should be in electronic form, to be data script for proper usage. He added, contracts in Transfer Pricing are not simple contracts. They are difficult to understand. Also, there are comparable uncontrolled third party and cross-border transactions in different tax regimes that should be considered. With the position taken by his co-reactors that big companies should be the ones to be subjected first to Transfer Pricing, he is one with them. Accomplishing the requirements takes time especially now when pandemic makes everything difficult, MSMEs will find it even more difficult to comply. After all, it is not the quantity of papers that should be required by BIR, rather it should be the quality of the effort put into the compliance.



Mr. Noel Antonio E. Canlas was relieved RR 19-2020 was issued much ahead before the deadline for submission of the Annual Income Tax Returns and Annual Financial Statement due 2020 considering the volume of accounting work which was at its peak then. However, such requirement is still not ideal because small practitioners are not yet aware as to how this Transfer Pricing mechanism works. Speaking up for small practitioners and small entities, he shared that small entities are mostly owned by small business persons, where most of the time related party transactions are dealt only with owners and shareholders whose concern centers on Cash Advances from banks or financial institutions for additional working capital and to fund payroll of employees. They hope BIR will use the level currently being done by SEC in classifying small entities because these small entities cannot afford to have a Transfer Pricing documentation or hire a law or accounting firms to do it for them. Moreover, they do not create complex related party transactions to evade taxes. Compared to big business, or multinationals, RPTs of these small entities are insignificant and immaterial to BIR assessment and audit on transfer risks.

## Auditing the Auditors—Improving Audit Quality in Challenging Times



Mr. Wilson Tan, managing partner of SGV & Co. expressed his appreciation to BOA and SEC for their support for the Audit Quality Assurance Review Program. He added that as majority of business enterprises in the country are SMEs, there is a need to help SMPs so they can benefit from audit quality initiatives. SMPs are integral part of the public practice in the Philippines and clients of SMPs represent a significant part of the economy hence maintaining audit quality is a must among all public practitioners.

The 2019 Audit Guide from World Bank turned over to PICPA is a reference material for SMPs in conducting high quality and cost effective audits. Its enhancement as initiated by PICPA Public Practice FY 2019-2020, updated latest changes in the local and international audit regulations and practices. The Guide was submitted to ASC for review last November, hoping it will be endorsed to practitioners with BOA approval. Similarly with PFRS for small entities, it will be a helpful guide material for SMPs.

He added that the classification of findings from Quality Reviews should be categorized by the severity or impact on the reliability of the audit. Its purpose is to focus efforts on the changes that matter and ultimately build confidence in the capital market. In tandem with this, the criteria for warranting a higher level of assessed deficiency, should be understood and agreed by all stakeholders involved. Nevertheless, a serious finding does not necessarily mean an audit failure, and an audit failure does not necessarily mean a materially misstated financial statement.



Mr. Ramon Garcia is the founding and managing partner of his own firm, Ramon F. Garcia & Co., CPAs and concurrently the President of an IT consultancy firm. His professional expertise has been on financial management and controllership, implementation of software designed systems, taxation and tax planning, audit, corporate re-organization, as well as evaluation, design and installation of financial and accounting management

Mr. Garcia shared that when he formed his company in 1981, he had already the quality of work in his mind. Though fees were small or engagement not profitable, those initial years of practice were looked upon as an investment. His firm turned down several offers if they believed their name will be compromised as he stood more for audit quality. Due to the prevailing pandemic, there has been a lot of uncertainty and unpredictability. The challenge for SMPs is to maintain the quality of audit when resources are few, when SMEs pay relatively small fees and when audit support is lacking. He wants to appeal to SEC and BOA to avoid duplication of review and arrive at an agreement on the matter, as it affects small and medium practice.



Mr. Romualdo Murcia focused on some areas that contributed to rendering effective and high quality audit, help ensuring professional standard, meet expectations of stakeholders, reduce the cost of litigation, and help prevent financial crisis arising from failure to do quality audit.

He recommended (1) reinforcement of quality control oriented culture such as tone from top; formulation of quality management manual; quality and risk ratings part of performance appraisal; (2) Personnel development and well-being such as Online Training, Support mechanism and promotion of health and wellness; (3) Maximize use of technology especially Audit tools; (4) Management of Work; (5) Engagement Performance; and (6) Engagement Monitoring.

## Implementation of QARP

Mr. Wilfredo Baltazar, Deloitte Philippine Audit Partner and Head of the Professional Practice Group discussed the implementation of the Quality Assurance Review Program (QARP) is a part of the quality initiatives of the BOA and PICPA. Its objective is to ensure that all public accountants whether as a firm or an individual practitioner establish and maintain a system of quality management designed to provide reasonable assurance that they are complying with professional standards, relevant ethical and regulatory requirements. QAR is a comprehensive appraisal or review conducted by the Board of Accountancy or its duly authorized representative on the quality of audit on the financial statements by a practitioner. Firms must follow the Philippine Standards on Quality for Firms (PSQC1) or the quality control for firms that perform audits and review of financial information and other assurance and engagement services. International Standard on Quality Management (ISQM)1 requires that a firm meets all of the requirements of the standard in designing, implementing and operating its system of quality management. On the other hand, ISQM 2 relates to Engagement Quality Review which is an objective evaluation of the significant judgments made by the engagement team. It deals with the appointment and eligibility of the engagement quality reviewer and the responsibilities relating to the performance and documentation of an engagement quality review.



## Roadmap of Public Practice in the Philippines

The Road Map of public practice in the Philippines directs where the future of public practitioners is going and dictates the quality of auditors they will become. With this goal in mind, BOA Chair Noe G. Quinanola stressed the importance of the (a) Continuing Professional Development (CPD), (b) Philippine Qualifications Framework (PQF) and (c) Quality Assurance Review (QAR) each of which was created by a law.



CPD is a necessary component of PQF, in turn, PQF is a quality-assured national system for the development, recognition and award of qualification based on standards of knowledge, skills and values acquired in different ways and methods by learners and workers educated or trained in the Philippines. The qualification levels in the PQF are linked with the ASEAN Quality Reference Framework (AQRF) which is a common reference framework that enables comparison of education qualifications across participating ASEAN Member States (AMS). On the other hand, QAR a comprehensive appraisal or review conducted by the Board of Accountancy, or its duly authorized representative of the quality of audit of financial statements by CPA

## Overview and Common Findings of SEC SOAR Inspection Program

The main objective of the SEC Oversight and Assurance Review (SOAR) is to improve the audit quality to promote high-quality and more transparent financial reports to serve the public interest and enhance investor protection. According to Atty. Emmanuel Artiza, SEC General Accountant, The scope of inspection consists of two levels:



- Review of the Firm's quality control policies and procedures in compliance with Philippine Standards of Quality Control<sup>1</sup> and Code of Ethics for Professional Accountants in the Philippines, and
- Review of the Audit Engagement's compliance with the Philippine Standards on Auditing and Other Regulatory Requirements

In the light of this inspection, SEC has been admitted to the International Forum of Independent Audit Regulators (IFIAR) in 2018. IFIAR, a membership organization of 55 independent audit regulators conducted its 8th annual survey of Members' inspection results and programs in 2019. The survey collects data about inspection findings arising from its Members' individual inspections of individual audit firms affiliated with the six largest global audit firm networks (GPPC networks) during the twelve months ended June 30, 2019. It should be noted that survey inspection findings are not the sole measures of the firm's progress in improving audit quality as they are not balance scorecards or overall rating tools, however, deficiencies found over the course of inspection are nevertheless an important matrix provided by an audit regulator forming one of the many indicators used to determine audit quality.



## PICPA issues Membership Privilege Card

The Membership Privilege Card (MPC) serves as PICPA ID, a commemorative Card featuring the painting of the PICPA building by the world-renowned artist Anton Mahilum. It also gives discounts and freebies from participating merchants, membership privileges for webinars, and ten (10) free webinars offered by the National Office. Its objectives are to offer to all PICPA Members in Good Standing (MGS) including sustaining life members and honorary life members, certain privileges and rewards that go along with payment of their annual dues and to engage our Chapters and Regions to explore and search for partner-merchants in their areas who shall give and/or extend discounts and special privileges to PICPAns.



## EventBank Rebrands to Glue Up

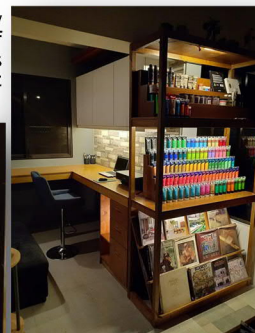
As of August 24, 2020, EventBank has changed its name to Glue Up. Since 2013, EventBank has worked on Cloud software solutions for event organizers, marketing departments, associations and chambers of commerce around the world. As technology changed, businesses and people continue to interact. Subsequently, the digital economy posed challenges that need to be met. EventBank's engagement management CRM software is able to reverse that trend and ensure organizations stay on top of technology trends that are shaping the world.

With an intuitive SaaS platform, it has led in rendering the cloud CRM solutions that provide associations and businesses with a full suite of tools designed to streamline operations, modernize processes, and eliminate engagement challenges. With such great pride, EventBank officially announced its new name "Glue Up".

## Anton Mahilum, The Artist

Anton's artistic inclination was greatly influenced by his late father, Tony Mahilum, a renowned artist from Antipolo City. Anton is the youngest son in a family of artists, with two older brothers who also happen to be painters. He began to paint sceneries inspired by the natural simplicity of life in rural setting. His preferred subjects were small streams and rivers where carefree children play. His choice of colors were those that exude a sense of cool and calmness rendered in a realist style.

The fine evolution of the artist is greatly seen in his current works where the use of bold, iridescent colors highly contrast his subjects and themes that create a distinct style that is both modern and traditional.



## NORTHERN METRO MANILA CHAPTER

### Donation of pocket Wi-Fis to DepEd

NMMC donated the second batch of Pocket Wireless Fidelity (Wi-Fi) units for public school teachers last August 24, 2020. In behalf of NMMC, Social Involvement Committee Officers led by Chair Erlinda Demition, Past NMMC President Lolita Tang, and NMMC Director Elmer Enriquez (from Department of Education), led the turn-over ceremony.

Representatives from Schools Division Office of Caloocan City received 110 pocket wi-fi units pooled by NMMC officers and members. As a sign of gratitude, a Certificate of Appreciation from the Department of Education represented by Schools Division Superintendent of Caloocan City, Ms. Nerissa L. Losaria, CESO VI, was given to the Chapter.

#### #joinNMMC #donatewithNMMC

If you want to share your blessings and help our public school teachers, or if you want to partner with us, kindly give NMMC a call. Donations in cash or in kind are most welcome.



### Webinar Series

For the month of August, the NMMC conducted six (6) webinars in accordance with the allotment for the Metro Manila Chapters. These were delivered by movers and experts in the industry. The members of the Board of Directors and officers from the Committee on Professional Development made this possible.

For NMMC officers who acted as hosts, moderators, the ones who introduced the speakers, or those who gave opening or closing remarks, acknowledgement and special thanks are hereby given.

#### Webinar 1.0 - SEC Issuances During the Pandemic (August 15, 2020)

With the objective of gaining understanding on changes implemented to adapt to the new normal concerning staffing, office transactions, and reportorial requirements of Securities and Exchange Commission (SEC), Atty. Mercy Atchico Rebuta-Aragon, Securities Counsel I from SEC was invited to apprise the CPAs on the recent SEC issuances during the COVID-19 pandemic period.

The topics she discussed were the guidelines on the attendance and participation of directors, trustees, stockholders, members and other persons of corporations in regular and special meetings through teleconferencing, video-conferencing and other remote or electronic means of communication.

In addition, she also shared the guidelines for the filing of General Information Sheet (GIS) during the COVID-19 outbreak and enhanced community quarantine and the recognition of electronic signature on the submission by electronic mail of GIS, Audited Financial Statements, Forms and documents.

#### Webinar 2.0 - Principles of Good Governance and Practical Applications (August 19, 2020)

Dean Danny A. Cabulay shared what good governance is. He articulated the various principles behind good governance and identified key challenges in its application. In summary, Dean Cabulay taught the participants how to develop a simple plan applicable to their daily life by sharing Corporate Leadership Dynamics.

#### Webinar 3.0 - RR No. 19-2020 Transfer Pricing Updates (August 19, 2020)

Tax expert Atty. Arnold A. Apdua, the Managing Partner of AAA and Co., CPAs gave an overview of Related Party Transactions (RPT) and thereafter discussed the salient features of Revenue Regulations No. 19-2020.

He identified who were affected by the related party transactions and brought participants awareness on important reportorial requirements of the implementing regulations.

#### Webinar 4.0 - Key Differences of PFRS for Small Entities and PFRS for SMEs (August 24, 2020)

Ms. Katherine U. Sobremonte highlighted the difference between two relevant standards that are applicable to Micro, Small and Medium Enterprises (MSMEs). The new PFRS for Small Enterprises (SEs) became effective in 2019. While the SEC mandated SEs to transition to the new standards with certain exceptions.

#### Webinar 5.0 - Risk-Based Auditing of Financial Statement (August 28, 2020)

Mr. Marco L. Fernando Ng discussed the importance of understanding the responsibility of management on the financial statements and the auditor's responsibility on independence.

Mr. Ng also discussed the issue of fraud, error and non-compliance and showed the participants how to perform audit planning and risk assessment using internal controls. He also related internal control to audit process and showed the completion of the audit and the preparation of an audit report.

#### Webinar 6.0 - Must-Know Court Decision on Tax Cases (August 28, 2020)

A regular speaker of NMMC, Atty. Edward G. Gialogo provided a summary of important Supreme Court and Court of Tax Appeals recent decisions affecting the practice of taxation.

Atty. Gialogo gave a review of the basic BIR audit process. He then proceeded to relay the different court decisions related to BIR audit by outlining the facts, stating the issues and the ruling of the court.

He also shared court cases affecting Income Tax, Withholding Tax, VAT, Estate Tax, DST and International Tax. Lastly, he discussed issues settled by the courts affecting PEZA companies, the Customs Law and Local and Real Property Tax.



# NORTHERN METRO MANILA CHAPTER

## Webinar Speakers

**SEC ISSUANCES DURING THE PANDEMIC**  
 August 16, 2020 (Saturday) 10:00 - 12:00 PM  
 Speaker: Ms. Merry Atchico Bebar-Aragon  
 Webinar Fee (₱): Pgp 300.00 members in Good Standing / Pgp 500.00 Non-Members / Non-NGOs

**PRINCIPLES OF GOOD GOVERNANCE AND PRACTICAL APPLICATIONS**  
 August 18, 2020 (Wednesday) 9:00 - 12:00 PM  
 Speaker: Dean Danny A. Cabiluyan  
 Webinar Fee (₱): Pgp 300.00 members in Good Standing / Pgp 500.00 Non-Members / Non-NGOs

**RR NO. 19-2020 TRANSFER PRICING UPDATES**  
 August 19, 2020 (Wednesday) 10:00 - 12:00 PM  
 Speaker: Atty. Arnold A. Agapay  
 Webinar Fee (₱): Pgp 300.00 members in Good Standing / Pgp 500.00 Non-Members / Non-NGOs

**KEY FEATURES OF PFRS FOR SMALL ENTITIES**  
 August 24, 2020 (Monday) 10:00 - 12:00 PM  
 Speaker: Ms. Katherine U. Sabremonte  
 Webinar Fee (₱): Pgp 300.00 members in Good Standing / Pgp 500.00 Non-Members / Non-NGOs

**RISK BASED AUDITING OF FINANCIAL STATEMENT**  
 August 28, 2020 (Friday) 10:00 - 12:00 PM  
 Speaker: Mr. Marco L. Fernando Ng  
 Webinar Fee (₱): Pgp 300.00 members in Good Standing / Pgp 500.00 Non-Members / Non-NGOs

**MUST-KNOW COURT DECISION ON TAX CASES**  
 August 28, 2020 (Friday) 2:00 - 4:00 PM  
 Speaker: Atty. Edward G. Gidologo  
 Webinar Fee (₱): Pgp 300.00 members in Good Standing / Pgp 500.00 Non-Members / Non-NGOs

## Donation-for-a-cause

The NMMC is having a Donation -For-A-Cause on September 26, 2020. Aside from the Fellowship Games, raffles prizes shall also be given to lucky winners. Proceeds from this fundraising activity will be used for CSR activities of the Chapter. Past President Ms. Katherine U. Sobremonte will spearhead the event.



#joinNMMC in this noble activity. Help us help others. You can be a Silver, Gold or Platinum Sponsor. For inquiries, you may contact Ms. Katherine Sobremonte or NMMC Secretariat Ms. Ramira Manlutac at 0917-317-4533.

## Regular Chapter Meeting

On August 20, 2020, the NMMC held its 2nd Virtual Regular Meeting which was presided by President Remedios R. Santos.

Officers and members of all standing committees reported their accomplishments for the month of August and submitted the plans and programs for September.

August birthday celebrants were also feted after the meeting.



# EASTERN METRO MANILA CHAPTER

## EMMC Joins the Planning of Free Livelihood Trainings Virtual Seminars

The Eastern Metro Manila Chapter (EMMC) headed by its President, Mr. Noel Canlas joined the planning meeting for Free Livelihood Virtual Seminars on August 5, 2020 via Zoom. The Virtual Seminars which will showcase Urban Vegetable Ornamental Planting and Culinary Skills Training, together with Baking and Pastry Demo are to be jointly offered by the NGO Development Committee of PICPA National Office, EMMC through its Social Development and Recovery Committee, FINEX Foundation and Consuelo Chito Madrigal Foundation. The seminar which will be broadcast live on September 18, 2020 intends to assist fellow CPAs, NGOs and other interested parties by providing them with necessary skills that can make them earn extra income during this Quarantine Period.

## Regular Chapter Meeting

EMMC conducted its second Regular Board Meeting on August 22, 2020 from 6:00pm to 8:30pm via Zoom. The meeting was attended by 9 out of 11 members of the Board of Directors and was presided by its President, Mr. Noel Canlas. Also, in attendance were members of Board of Advisers namely, Ex-Officio Joel Romano, George Villaruz, Noemi Villaruz and Renz Ong. MMR Administrative Manager Fanny Madraga was also present in the said meeting.

Among others, topics discussed were the current financial condition and membership status as well as the planned activities of EMMC, notably (1) the book donations and free online seminars for ABM Teachers in the Public Schools, (2) the forthcoming first General Membership of EMMC, (3) Professional Development offerings of seminars with CPD, and (4) the projects and the programs of the PICPA National Office.

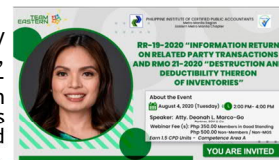


## EMMC launches 2 paid webinars

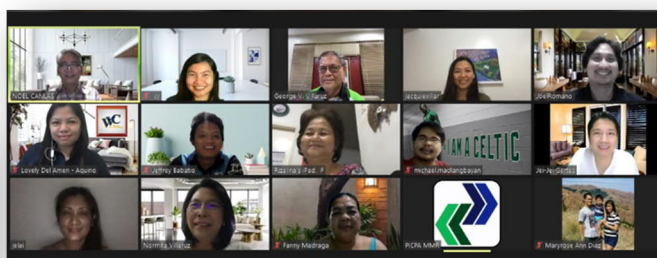
August 4, 2020 was the day when most of the PICPA Metro Manila Team members kept their fingers crossed as they awaited in anticipation the outcome of the first offering of virtual seminars with registration fees. The PICPA-Eastern Metro Manila Chapter conducted its first paid webinars on that date, which was virtually the “kick-off” of all paid webinars to be offered throughout PICPA. True to expectations, the outcome was very encouraging. With more than a hundred CPAs who attended the webinar, EMMC led by its President Noel Canlas achieved their initial target. The topic “Auditing Small & Medium Sized Entities (In compliance with the Guide to Using ISAs in the Audits of Small and Medium Sized Entities) Module 1 Risk Assessment Part 1” for the morning session was delivered by Ms. Maurice Checa-Sabio. This was attended by 108 participants.



The afternoon session was graced by Atty. Deonah L. Marco-Go of 5GV & Co, as she lectured on BIR Revenue Regulation No. 19-2020 entitled “Information Return on Related Party Transactions and RMO 21-2020 “Destruction and Deductibility Thereon of Inventories”. The session was attended by 130 participants.



Present during the meeting were Chef RV Manabat one of the Resource Speakers who will exhibit his Culinary Skills and show Baking and Pastry Demo, Ms. Noemi Villaruz, Chair of the PICPA NGO Development Committee and Chair of EMMC’s Committee on Social Development and Recovery, Victoria Martinez, Sonia Segovia, Ivy Zafe, Ellen De Guzman, Lolita Tang, and other officers and members of NGO Development Committee from NCR, Luzon, Visayas and Mindanao Regions, PICPA Liaison Director Cristina Delfin, FINEX FDTN Liaison Trustee Dr. Chit Manabat, and Ms. Corito Bautista of the Beneficiary Community of Consuelo Chito Madrigal Foundation.





# WESTERN METRO MANILA CHAPTER

## Suits The C-Suite

Suit the C-Suite by Mr. Meynard A. Bonoen, Assurance Partner of Sygip, Gorres and Velayo (SGV&Co.) and currently the President Elect of PICPA Western Metro Manila Chapter (PICPA-WMMC) published a timely topic with a title “Impairment consideration during COVID-19”. The 2-part article was published in July and August by the Business World. The first part focused on the timing of assessment and needs of the company to value the long-term assets due to the uncertainty in the going concern resulted from the worldwide pandemic. Mr. Bonoen states that Enhance Community Quarantine (ECQ) is a valid indicator of the existence of impairment and even though in the normal circumstances there is a need to test the impairment of asset especially for entity that is required to prepare an interim report. The author wrapped-up the article by discussing the measurement, disclosure requirements and the consideration of the possible reversal of the said impairment in the future.

## Accounting for Non-Accountants Webinar

Accounting for Non-Accountants (AFNA) is a project jointly organized by the Polytechnic University of the Philippines - College of Accountancy and Finance (PUP-CAF) and the City Government of Mandaluyong in cooperation with PICPA-WMMC, and Department of Trade and Industry - National Capital Regional Office (DTI-NCRO) through its Mandaluyong Negosyo Center. It covered a 4 week lecture that helped participants in their businesses. This time was a continuation of unfinished AFNA Batch 8 session which was began last February to March 2020. The project was implemented during 4 Fridays in August through the leadership of WMMC Past President and PUP-CAF Faculty Member Ms. Edith A. Peralta.

In the first Friday of August (August 7), Ms. Melinda Balbarino and Ms. Catherine Sotto, both Faculty Members from PUP-CAF, discussed the “Basic Merchandising and Special Journals”. It was followed by “Completing the Accounting Cycle of a Merchandising Business” on August 14 with Ms. Maria Luisa Oliveros, Mr. Geno San Jose and Mr. Gerwin Ortega, also from PUP-CAF, delivering the topic.

Subsequently, on August 21 though declared a holiday, Mr. Glenn Magadia, from PUP-CAF as well, discussed the “Internal Control for Cash and Bank Reconciliation”, while Mr. Alfonso Garcera, WMMC Director for Commerce and Industry and a UST Faculty Member, taught “Accounting for Cash”.

WMMC Past President Dean Froilan Labausa showed and assisted the participants how to do bank reconciliation. Finally, on the last day, August 28, 2020, the lovable Binaluyo Brothers Jonald and Jonathan with Ms. Ma. Delia Liz, all PUP-CAF Faculty Members, capped the program by discussing payroll, business taxes and tax compliance.

## Webinar 1.0—Personal Financial Planning During Pandemic (August 17, 2020)

Mr. Mark Benedict M. Guia, Reviewer of CRC-ACE in Management Accounting taught the 24 participants to strengthen their financial capability amidst pandemic by teaching them Personal Financial Planning. Mr. Guia focused on knowing your own money matter situation and deals with it based on the individual attitude and character of each participants. The need to set up a definite financial goal is very important to increase the financial liquidity and to stabilize the financial flexibility according to the speaker. In the journey towards individual goals, he guided the participants to concentrate on increasing financial returns while minimizing the risk exposure. Moreover, he emphasized establishing financial strategy is based on each specific personality. Also, the approach on how to cope up in every constraint and to increase income to meet the financial goal is solely on the willingness and capability of the person himself. In the end, the speaker reminded that setting up of solid financial foundation and vivid monitoring of finances help everyone in achieving financial freedom.

## Webinar 2.0—Auditing in the Time of Pandemic (August 18, 2020)

### Webinar 3.0—Impact of the Pandemic On-going concern and Subsequent Events (August 25, 2020)

Two interrelated topics entitled “Auditing in the Time of Pandemic” and “Impact of the Pandemic on Going Concern and Subsequent Events Reporting” were discussed by the Managing Partner of M. Ng & T. Lopez Partnership Mr. Marco Fernando L. Ng last August 18 & 25 2020, respectively. On the first topic, Mr. Ng expressed that we, as accountants, need to maintain the work with quality and standard mostly in this time of pandemic. He also stated that professional ethics must prevail over sympathy to the declining operation of a client. Moreover, he shared his audit experience abroad for stricter audit approach to get more relevant audit evidence in a time like this. On the second topic, Mr. Ng emphasized on the Going Concern issue of the entity under pandemic. “Cash flow is the most relevant indicator of going concern” he added. He added, the measurement of the value of entity’s asset is based on the certainty of the survival of the business. If the business survives, use accrual basis, if not, then measure the asset using liquidating basis. Towards the end, Mr. Ng discussed IFRS 9 Financial Instrument to wrap up the webinar.

## Webinar Series

### Webinar 4.0—Computer Assisted Accounting Techniques Using Excel—Module 1 (August 26, 2020)

PICPA WMMC sponsored the webinar on Computer-Assisted Accounting/Auditing Techniques (CAATs) Using Excel Module 1 on August 26, 2020 (Wednesday). This webinar was participated by less than 150 CPAs from the four sectors, namely: 1) public practice, 2) commerce and industry, 3) government, and 4) education/academe, who registered using the My Glue platform (formerly known as Event Bank). The said webinar entitled the participants 1.5 CPD units under competence B. The morning session which was scheduled from 10 am to 12 noon was extended up to 12:45 pm to accommodate the learning objective of planning and validating data.

Mr. Alejandro “Allan” Palacio was resource speaker in the webinar. He is the incumbent WMMC Technical Specialist for Professional Development, in the Board of Director at the Association of Certified Public Accountants in Commerce and Industry (ACPACI) and a co-founder and Vice President of the Center for Internal Audit Services Philippines, a training and consultancy firm and a member of the academe.

In support to PICPA’s overall theme “Filipino CPAs Rising in Solidarity Amidst Challenging Times”, this WMMC-sponsored webinar aimed to deliver to participants effective use of CAATs in their daily work amidst the new normal. PICPA WMMC Public Relations Officer and Students’ Participation Committee Chair Jeffrey Ebio served as moderator.

### Webinar 5.0—Computer Assisted Accounting Techniques Using Excel—Module 2 (August 26, 2020)

In the afternoon session, Mr. Alejandro “Allan” Palacio continued to impart to 118 participants the available online tools that can aid them in performing their daily work through the program “Computer Assisted Accounting/Auditing Techniques (CAATs) using Excel - Module 2”. Using Zoom, Mr. Palacio guided the participants through the various Excel functions so they can utilize to manipulate, normalize and consolidate data. Mr. Palacio focused on demonstrating specific functions that will help the participants manipulate various data types to obtain information that suit their need via their desired data format. He also demonstrated how available data can be normalized so that the end results can be easily understood by the participants or the data users. Throughout these modules, Mr. Palacio showed the participants, that despite the wide array of data, there are readily-available tools for their use to extract and convert data in such a way that the resulting information will provide the users with a more meaningful and deeper analysis.

With the success and interest generated by this program, a second run of the same will be conducted by the Western Metro Manila Chapter on September 22, 2020, from 10:00 am to 12:00 noon for Module 1 and 2:00 pm to 4:00 pm for Module 2.

## Regular Chapter Meeting

Last August 22, 2020, the Board of Directors, officers, and members of WMMC conducted its 2nd virtual monthly meeting. The Agenda focused on the nomination of WMMC members for the search of Outstanding PICPA Members. In addition, Chairs and Co-Chairs of Professional Development Committee announced the webinars for the month of September. The meeting was productive and joyful with the presence and continuous support from WMMC advisers.



PHILIPPINE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
Metro Manila Region and Geographical Area Office  
Western Metro Manila Chapter

**Personal Financial Planning During Pandemic**

August 17, 2020 (Monday)  
2 pm - 4pm (1.5 CPD Units)  
Competency Area - B

Mr. Mark Benedict M. Guia  
Reviewer, CRC-ACE  
Senior Audit Manager

WELCOME

PHILIPPINE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
Metro Manila Region and Geographical Area Office  
Western Metro Manila Chapter

**Impact of the Pandemic on Going Subsequent Events Reporting**

August 25, 2020 (Tuesday)  
2 pm - 4pm (1.5 CPD Units)  
Competency Area - A

Mr. Marco Fernando L. Ng  
Managing Partner  
M. Ng & T. Lopez Partnership

WELCOME

PHILIPPINE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
Metro Manila Region and Geographical Area Office  
Western Metro Manila Chapter

**Computer Assisted Accounting/ Auditing Techniques Using Excel**

Workforce multiplier

August 26, 2020 (Wednesday)  
Module 1: 10 am - 12 nm (1.5 CPD Units, Competency E)  
Planning and validating data

Mr. Alejandro “Allan” Palacio  
Technical Specialist for Professional Development  
Board Member, CPACI  
Vice President, CICA

WELCOME

## SOUTHERN METRO MANILA CHAPTER

### Webinar zeroes in on tax exemptions for non-profit organizations

Last August 8, 2020, a webinar on the requisites and remedies on tax exemptions for entities under Section 30 of the Tax Code was held. Atty. Willie B. Santiago, Director for Tax and Corporate Services of Diaz Murillo Dalupan and Company served as the webinar's speaker.

Section 30 of the National Internal Revenue Code provides a list of 11 organizations/entities that are granted exemption from payment of income taxes. These are generally non-stock, nonprofit organizations. The webinar was very timely, considering that during the imposition of various quarantine regimes, the Bureau of Internal Revenue (BIR) has issued several rulings related to tax exemption claims.

The webinar discussed how to recognize which entities are covered by the National Internal Revenue Code (NIRC) Section 30, the procedural and documentary requirements, and even challenges that must be anticipated. Actual cases decided by the bureau of Internal Revenue (BIR), Court of Tax Appeals (CTA) and the Supreme Court (SC) were likewise discussed. Aside from those covered under the said section, other entities that are similarly situated were tackled as well.

The seminar was so informative and well received as there were 197 participants who attended. This proved once again the continuous interest of members when it comes to tax subjects in webinars, especially now that the threat of COVID still exists. Moreover, for future runs of similar topics, you may refer to announcements from PICPA's Southern Metro Manila Chapter (SMMC) through its official communication channels.

### PFRS for Small Entities Explained

Mr. Jeff-Mike Smith Sule, Principal Auditor at the American Data Express Corporation, discussed the new Accounting standard to 98 participants thru a webinar entitled "PFRS for Small Entities" last August 25, 2020. This simplified Accounting standard was developed locally for easy compliance with government reportorial requirements by small businesses. Mr. Sule gave the scope of the framework, key differences with PFRS for SME and Full PFRS, and transitional provisions. He also illustrated accounting treatment options via examples.

Congratulations to all the winners during our August 2020 webinars.

August 8:  
1. Annavi Lacambra Campoamor

2. Maricris Oronea

3. Gladys Canete

August 15:

1. Mary Annalon

2. Irish Menguito

3. Allysa Gapasin

August 18:

1. Marcos Legaspi

2. Via Grace Rivera

3. Lara Ann Erasmo

August 22:

1. Michael Dave

2. Rosfe Corlae Badoy

3. Beverly Anne Castro

August 25:

1. Imelda Clores

2. Jennie May Alvarez

3. Ihna Rose Alcantara

August 27:

1. Arvin Rafol

2. Joselito Mataac

3. Irene Hinaloc

COMPLIMENTARY FREE 15-DAYS

**TAX Library**

### PICPA SMMC conducts presentation skills seminar

Recognizing the continuing professional needs during the "new normal," SMMC hosted a presentation skills webinar entitled "Making Effective Presentations During Virtual Meetings" last August 15.

The webinar was conducted by Mr. Marco Antonio R. Danga, a CPA and General Manager of Phar Partnerships with more than 15 years of multi-functional experience in business partnering, financial planning and analysis, and marketing from both multinational and local industries. He is seasoned lecturer with PICPA-SMMC over the past 6 years. According to Mr. Danga, "The soft skill in making effective presentations has now become a fundamental skill."

He has regularly conducted an 8-hour condensed version of a 3-day intensive workshop on making effective presentations to live audiences. The recent Zoom webinar is a special session adapted to suit the needs of delivering presentations in virtual settings. It featured an overview of the communication process and concepts, presentation structure and format, and useful tips on how to keep a virtual audience engaged as well as mistakes to avoid in both virtual and live presentations.

Mr. Joseph Emmanuel A. Ang, Co-Chair for Fellowships, Meetings and Conferences was the moderator while Mr. Joel De Leon T. Poh facilitated the Question-and-Answer Segment. A total of 31 registered participants attended the webinar who earned 1.5 units in CPD credits. All participants were provided a complimentary 15-day access to the CD Asia Online Taxation library. CD Asia provides a wide range of up-to-date database of Philippine law-related information online.

PICPA SMMC is a leading provider of relevant and meaningful technical and soft skill lectures for professionals. Interested parties may reach out to the PICPA SMMC Secretariat at 8725-3337 for in-

### Webinar on taxes of non-resident Foreign Corporations and Individuals

Atty. Willie Santiago, Director of Tax & Corporate Services of Diaz Murillo Dalupan & Co. gave a lecture to a group of 368 participants on the Final Withholding VAT and Final Withholding Tax on Income Payments to Non-Resident Foreign Corporations and Individuals last August 27, 2020. The webinar was conducted via the Zoom platform.

The webinar focused on transactions covered by final withholding tax rules, including compliance requirements, availing of tax treaty provisions, and rights & remedies of taxpayers.

This webinar is part of SMMC series of webinars for this fiscal year. More details and updates are available on the Chapter's Facebook page or through SMMC email updates via My Glue app (formerly Eventbank).

### Back-to-back ethics webinars

PICPA-SMMC tackled the importance of developing strong ethical accounting practice in two (2) webinars for its members on August 2020.

Mr. Jeff-Mike Smith Sule, Principal Auditor at the American Data Express Corporation, explored ethical leadership theme during the webinar on "Developing Ethical Leaders for the Accounting Profession" last August 18, 2020, via Zoom. A total of 53 participants attended.

The basic principles of ethical leadership such as respecting others, serving others, showing justice, manifesting honesty, and building community were discussed. Considering the complexities of the business environment, accountants as leaders face constant pressure and routine dilemmas that impact our professional lives, hence, ethical leadership principles may help us navigate through these situations.

Drawing lessons from the works of Peter G. Northouse' "Leadership: Theory and Practice", Linda Fisher Thornton's "7 Lenses - Principles and Practices of Ethical Leadership", Marianne M. Jennings' "The Seven Signs of Ethical Collapse"; the webinar explored the topics on the advantages of ethical leadership, different approaches to ethics, looking through ethical responsibility through various lenses including profits, community, and the greater good. Mr. Sule further expounded on how ethical leadership is practiced - starting from the personal level all the way to the systemic level. Several real-life case studies on the collapse of ethical leadership were also shared, including the highly familiar Enron and WorldCom Accounting scandals, that undeniably shaped modern accountability practice through the passage of the Sarbanes-Oxley Act.

On the other hand, last August 22, 2020, Ms. Rosemary D. De Mesa, retired Senior Partner and former Managing Partner of Diaz Murillo Dalupan and Company, discussed the practical application of Ethics in Business. The webinar was designed to provide the 85 participants with a thorough understanding on the fundamentals of Business Ethics, its benefits, causes of unethical behavior, and techniques to improve ethical practices.

With the Accountants' Code of Ethics providing a basic conceptual framework for solving problems, Ms. De Mesa explored several business scenarios on ethical decision making. Each scenario involves an assessment of one's integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

SMMC continues to deliver timely and timeless subject matters as learning opportunities for its members. Details of future webinars are available at My GlueApp (Formerly Eventbank), or through the PICPA SMMC Secretariat.

### SMMC conducts 1st virtual BOD meeting

PICPA SMMC Board Of Directors conducts 1st Virtual Meeting for FY 2020-2021 on July 8, 2020. Despite the limitations of not physically together, the meeting is still very productive. Leading the discussion is Ms. Maricris U. See, Chapter President, on professional development plans, accountancy week celebration preparation, and upcoming GMM.



FOLLOW US

facebook.com/picpa\_mmr

www.glueup.com