2020 ATI Monitoring Report
Partner countries' tax systems at a glance

Philippines

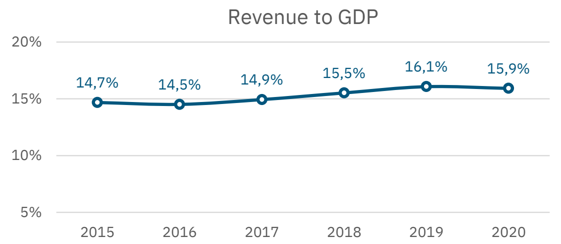
Tax systems' at a glance: Recent progress and reforms in Philippines

In 2020, the tax-to-GDP ratio in Philippines was 15,9 percent, 0,15 percentage points less than in 2019.

In 2021, the Philippines passed into law the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, which is the most significant fiscal stimulus for businesses in their recent history. It is estimated to provide private enterprises with more than 19.77 billion US dollars' worth of tax relief over the next ten years. CREATE also provides a performance-based tax incentive system that is time-bound, targeted, and transparent.

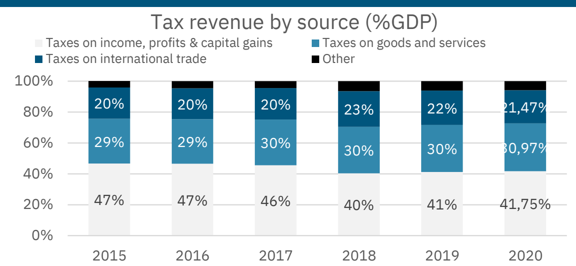
In addition, the Bureau of Internal Revenue (BIR) has embarked on a Digital Transformation journey (DX Project), which aims to modernize the systems and processes in the BIR. It seeks to align resources towards a client-first and digital-first strategy. The DX Project complements the Comprehensive Tax Reform Program to improve revenue collection, tax compliance, and client satisfaction.

Enhance Domestic Revenue Mobilisation



The graph reports the tax-revenue-to-GDP ratio trend for years where data is available.

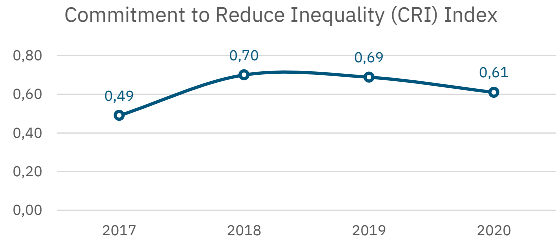
Source: Government Revenue Dataset (GRD).



The graph presents the composition of tax revenues in the country by source of revenue for the period 2015-2020.

Source: Government Revenue Dataset (GRD) (ICTD-UNU-Wider).

Equitable tax systems

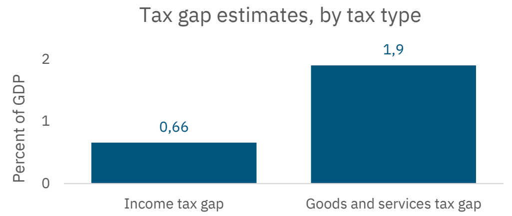


The graph reports the trajectory of the Commitment to reduce Inequality (CRI) Index. The CRI Index scores from zero (least progressive) to one (most progressive).

Source: Oxfam international, the Commitment to Reducing Inequality Index.

Efficient revenue administration

- Philippines does not manage large taxpayers and High Net Worth Individuals (HNWIs) programmes



Source: Global Tax Expenditure Database (GTED).

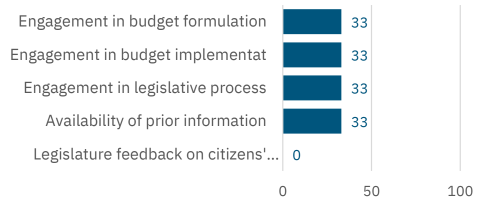
Coherent and coordinated policies

The data reported by Philippines regarding tax expenditures is:	**Somewhat disaggregated**
The regularity of data reporting regarding tax expenditures in Philippines is:	**Regular**

The Executive's Budget Proposal or any other documentation present information on tax expenditures for at least the budget year	**Yes, the core information is presented for all tax expenditures.**
The government ensures all existing and new tax expenditures are provided for in tax legislation, and is scrutinised by parliament	**Yes**

Source: Global Tax Expenditures Database, Country Profiles; Open Budget Survey; 2020 ATI Monitoring Survey.

Engagement with accountability stakeholders



The graph displays scores on the basis of whether countries meet all (100), most (67), a limited part (33) and none (0) of the requirements for each of these citizen engagement indicators.

Source: IBP Open Budget Survey, questions 127, 130, 131, 137 and 138.

Combat tax-related illicit financial flows

- Philippines is not yet a signatory country to the CRS Multilateral Competent Authority Agreement (CRS MCAA).
- Philippines has signed and is largely compliant with the Amended Multilateral Convention on Mutual Administrative Assistance in Tax Matters for EoIR.

Source: OECD Global Forum on Transparency and Exchange of Information for Tax Purposes, Compliance ratings following peer reviews against the standard of EOIR."

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