

January 14, 2021

The Honorable Lord Allan Jay Q. Velasco

N - 601, North Wing Building and Penthouse, Ramon V Mitra Building,
House of Representatives, Batasan Hills
Quezon City, 1126 Metro Manila

Dear **House Speaker Velasco**:

We, the Philippine business organizations, reaffirm our solid and indisputable support for the immediate enactment of the Corporate Recovery and Tax Incentives for Enterprises (CREATE) bill, formerly known as the Corporate Income Tax and Incentives Reform Act (CITIRA).

We join the multisectoral call for the ratification of CREATE this January 2021.

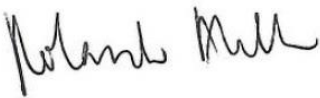
CREATE is a historic economic reform, one of the largest in decades. As a stimulus package, CREATE will be a boost to market confidence, providing instant relief to businesses suffering from business reverses due to the COVID-19 pandemic.

We particularly support the immediate reduction of the corporate income tax (CIT) rate from 30 to 20 percent for small and medium enterprises earning net taxable income not exceeding 5 million pesos, and from 30 to 25 percent for all other corporations, effective July 1, 2020. These would instantly bring the country's CIT rate closer to the ASEAN average of 21.65% and give us more resources to retain our employees and to keep up with financial difficulties. As an investment-attracting move, the CIT cut also alters the financial prospectus of the Philippines for the better.

We are hopeful the proposal to give flexible authority to the Fiscal Incentives Review Board (FIRB) and the President in granting both fiscal and non-fiscal incentives will make the tax incentives system an agile mechanism that can seize high-value investment opportunities. We thank Congress for including proper safeguards against abuse of discretion or making it a political tool to grant favors to undeserving recipients.

We also recognize that CREATE provides a transition of 10 years for current holders of incentives. This should ease some concerns about the tax regime change.

We humbly request the House of Representatives to move quickly and decisively to push CREATE forward and ensure its immediate enactment. After three years of deliberation, every day of delay comes at the risk of losing more jobs and hemorrhaging more investments. We call for the ratification of this measure within January of this year 2021.



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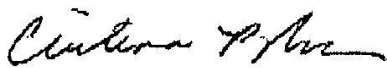
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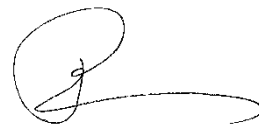
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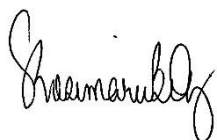
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