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Introduced by **SENATOR RAMON BONG REVILLA, JR.**

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**RESOLUTION**

**URGING THE SENATE COMMITTEE ON WAYS AND MEANS AND THE APPROPRIATE SENATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE POSSIBILITY OF IMPOSING AND COLLECTING TAXES FROM MULTINATIONAL ONLINE STREAMING SERVICES AND THE DIGITAL ECONOMY IN GENERAL**

1           **WHEREAS**, the novel Coronavirus (COVID-19) pandemic and the imposition of  
2 community quarantine measures across the country have accelerated the country's  
3 shift towards digitalization and further growth of the digital economy;

4  
5           **WHEREAS**, the use of technology-based services such as online streaming and  
6 online markets is expected to soar with the continued implementation of quarantine  
7 measures and amid the New Normal characterized by physical distancing and  
8 prohibition of mass gatherings;

9  
10           **WHEREAS**, in 2021, Google, Temasek and Bain & Company reported that the  
11 Philippine digital economy earned a "gross merchandise value of \$17 billion through  
12 digital transactions" and it further forecasts that the economy will expand to as high  
13 as \$40 billion<sup>1</sup>;

14  
15           **WHEREAS**, according to a recent study by Sortlist, a marketing and advertising

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<sup>1</sup> *The Growing Philippine Digital Economy. A Focus on eCommerce and Digital Payments.* CPBRD Notes No. 2022-01 [https://cpbrd.congress.gov.ph/images/PDF%20Attachments/CPBRD%20Notes/CN2022-01\\_The\\_Growing\\_Philippine\\_Digital\\_Economy.pdf](https://cpbrd.congress.gov.ph/images/PDF%20Attachments/CPBRD%20Notes/CN2022-01_The_Growing_Philippine_Digital_Economy.pdf) Accessed on July 11, 2022

1 company based in Brussels, Filipinos typically spend around ten hours and 56 minutes  
2 of their time using the internet, exceeding the global average online time of six hours  
3 and 42 minutes daily<sup>2</sup>;

4  
5 **WHEREAS**, the same report states that Filipinos spend around four hours and  
6 15 minutes on various social media platforms every day<sup>3</sup>;

7  
8 **WHEREAS**, Filipinos spend at least 3.3 hours daily watching online content on  
9 mobile devices<sup>4</sup>;

10  
11 **WHEREAS**, the Bureau of Internal Revenue (BIR) issued Revenue  
12 Memorandum Circular No. 55-2013 reminding the taxpayers' obligations in relation to  
13 online business transactions including online shopping or online retailing, online  
14 intermediary service, online advertisement/classified ads, and online auction;

15  
16 **WHEREAS**, some multinational companies do not need to establish physical  
17 presence in our country in order to proceed with their business as technological  
18 advancements made it possible for them to offer their services into our country  
19 through various online platforms, even without local distributors;

20  
21 **WHEREAS**, different countries such as Norway, Australia, Japan, France,  
22 South Korea, United Kingdom, Singapore, Malaysia, among others have adopted and  
23 passed their respective versions of digital service tax laws which enable them to collect  
24 taxes from local consumption and use of digital content and services from foreign  
25 providers;

26  
27 **WHEREAS**, there are also multilateral efforts at unifying tax rules, such as the

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<sup>2</sup> Licsi, A. 2022, Feb. 2, 2022. "Filipinos spend the most time online and on social media at almost 11 hours per day-study." <https://philstarlife.com/geeky/844848-sortlist-social-media-filipinos-study?page=2>. Accessed on July 11, 2022

<sup>3</sup> Ibid.

<sup>4</sup> "Cheapest Netflix in the Philippines to launch on mobile for P149." <https://news.abs-cbn.com/business/03/12/20/cheapest-netflix-in-the-philippines-to-launch-on-mobile-for-pl49>. Accessed on July 8, 2020.

1 one led by the Organization for Economic Co-operation and Development (OECD), to  
2 address overlaps with individual state measures and avoid double taxation,  
3 considering the borderless nature of such transactions;

4  
5 **WHEREAS**, there is a need to embrace the digital revolution of our time, and  
6 to comprehensively review and update our existing tax laws regarding digital  
7 economy;

8  
9 **WHEREAS**, it is imperative to implement a fair and just taxation scheme,  
10 capture transactions of multinational companies related to the digital economy into  
11 our tax base, and plug the leakages in our tax laws;

12  
13 **NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, to  
14 urge the Senate Committee on Ways and Means and the appropriate Senate  
15 Committees to conduct an inquiry, in aid of legislation, into the possibility of imposing  
16 and collecting taxes from multinational online streaming services and the digital  
17 economy in general.

***Adopted,***

  
**RAMON BONG REVILLA JR.**