



Bringing In Revenues
for Nation-Building

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE



20 JUL 2026

REVENUE REGULATIONS NO. 005-2026

SUBJECT : Further Amending Revenue Regulations No. 2-98, as Amended, to Impose Withholding Tax on Gross Remittances Made by the Independent Electricity Market Operator of the Philippines for the Sale of Electricity

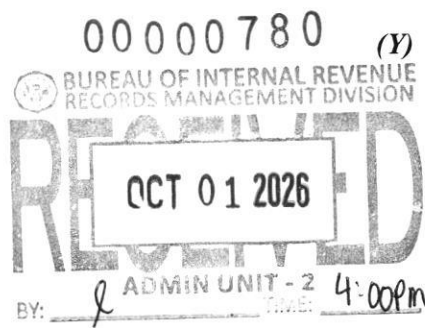
TO : All Internal Revenue Officials, Employees and Others Concerned

SECTION 1. SCOPE. – Pursuant to the provisions of Sections 244 and 245 of the National Internal Revenue Code of 1997, as amended, these Regulations are hereby promulgated to further amend Section 2.57.2 of Revenue Regulations (RR) No. 2-98, to impose a withholding tax on gross remittances made by the Independent Electricity Market Operator of the Philippines to generation companies and other market participants for the sale of electricity through the Wholesale Electricity Spot Market.

SECTION 2. AMENDATORY PROVISIONS. – The pertinent provisions of Section 2.57.2 of RR No. 2-98, as amended, are hereby further amended to read as follows:

“SECTION 2.57.2. Income Payments Subject to Creditable Withholding Tax and Rates Prescribed Thereon. – Except as herein otherwise provided, xxx. –

xxx



Remittances of the Independent Electricity Market Operator of the Philippines (IEMOP) to generation companies and other market participants. – On the gross remittances by IEMOP to generation companies and other market participants for electricity sold through the Wholesale Electricity Spot Market (WESM). – Two percent (2%)

For purposes of these Regulations, the following terms shall have the following meaning:

1. **Independent Electricity Market Operator of the Philippines** – the entity responsible for facilitating electricity trade in the Philippine electric power industry as the independent market operator of the WESM. IEMOP is designated solely as a withholding agent and is not considered to have income arising from such remittances.
2. **Wholesale Electricity Spot Market** – the market platform where electricity transactions are conducted, including but not limited to the sale and purchase of electricity among generation companies, distribution utilities, and other market participants.
3. **Generation Companies and Market Participants** – entities that sell electricity through the WESM and receive gross remittances from IEMOP in settlement for such transactions.

IEMOP is hereby designated as a withholding agent for purposes of these Regulations. In its capacity as such, IEMOP shall be responsible for the following:

(a) deducting and withholding the applicable withholding tax on all gross remittances, which refer to the total amount payable to the generation companies and other market participants for the sale of electricity before any deductions;

(b) remitting the taxes withheld by filing the required withholding tax returns through the Bureau's Electronic Filing and Payment System (eFPS), together with the Alphabetical List of Payees submitted via esubmission, in compliance with existing BIR regulations and prescribed deadlines;

(c) issuing a Certificate of Tax Withheld at Source (BIR Form No. 2307) to each electricity seller subject to withholding, on or before the twentieth (20th) day after the close of the taxable quarter or upon request of the payee; and

(d) furnishing the LT Document Processing & Quality Assurance Division of Large Taxpayers Service, on or before the last day of the month following the close of each taxable quarter, with a duly certified list of electricity buyers under Annex "A" hereof.

SECTION 3. REPEALING CLAUSE. – All other issuances and rules and regulations or parts thereof which are inconsistent with the provisions of these Regulations are hereby repealed, amended, or modified accordingly.

SECTION 4. EFFECTIVITY. – These Regulations shall take effect fifteen (15) days following its publication in the Official Gazette or the BIR official website, whichever comes first.

Recommending Approval:


CHARLITO MARTIN R. MENDOZA
Commissioner of Internal Revenue




FREDERICK D. GO
Secretary

SEP 17 2026

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