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**SPEECH BY PRESIDENT FERDINAND R. MARCOS JR. AT THE CEREMONIAL SIGNING
OF THE VALUE-ADDED TAX ON DIGITAL SERVICES LAW**

[Delivered at the Ceremonial Hall, Malacanan Palace in Manila | 02 October 2024]

Thank you to our DICT Secretary, Secretary Ivan Uy. *[Please take your seats.]*

Senate President Chiz Escudero and the members of the Senate; House Speaker Martin Romualdez and the members of the House of Representatives; Finance Secretary, the beneficiary of all of this --- of what we are doing today --- the Finance Secretary, Secretary Ralph Recto; the other Cabinet members present; Presidential Adviser for Legislative Affairs Mark Llandro Mendoza; BIR Commissioner Jun Lumagui; other key development partners and stakeholders; my fellow workers in government; distinguished guests; ladies and gentlemen, good morning.

There is an old saying that: There are only two things certain in life—they are taxes and death. It is now time to add perhaps one more item to that list and that is change.

The rapid change in our digital landscape has created a gap in our tax system.

Today, we signed the Value-Added Tax on Digital Services Law and we are now bridging that gap.

With this law, we say that if your presence in the Philippine market is as real as your profits, then your tax responsibilities should also be equally tangible.

But make no mistake, we are not imposing new taxes, we are simply strengthening the authority and streamlining the process of the BIR to collect value-added tax on digital services.

This includes digital media, digital music, digital video, video-on-demand, and digital advertising.

Local businesses and international digital platforms now compete on equal terms. We no longer will be playing by different sets of rules.

If you are reaping the rewards of a fruitful digital economy here, it is only right that you contribute also to its growth.

After all, whether you are a small tech start-up or a global tech giant based halfway around the world, if you are making money here in the Philippines, you are part of our community. And with that comes a shared responsibility.

Be assured that the government has taken a deliberate and measured approach to ensure that this tax will not crush innovation or hinder growth.

We have been precise about where this tax applies, sparing educational and public interest services from its coverage: Online courses, webinars, and other digital educational offerings are not subject to VAT in order to keep education affordable and accessible to all Filipinos.

This law is more than ensuring tax compliance, it is also in support of nation-building.

For the next five years, we estimate to collect 105 billion pesos from this measure. This is enough to build 42,000 classrooms, more than 6,000 rural health units, 7,000 kilometers of farm-to-market roads.

Additionally, five percent of the revenues generated by this law will be allocated to our creative industries.

This means our artists, filmmakers, musicians— the very people who fill our platforms with stories and with content—will directly benefit. This ensures that our creative talents are not just surviving in a competitive digital market but will be allowed to prosper.

Fairness, inclusivity, and progress—these are the goals of this law.

Today is not just about the signing of the VAT on Digital Services Law, it is also the beginning of a more equitable journey forward.

And this would not have been possible without our legislators. We thank you for the dedication that you showed in ensuring the timely approval of this law.

To our partners in the digital space—let this be seen as an invitation to help build a Bagong Pilipinas, where innovation flourishes especially as we promote competition.

To our local enterprises, who have been pillars of our economy even in the face of changing landscapes— today, we restore the balance and give you the fair shot that you deserve.

To our people, who deserve nothing less than a system that works for them, this law shall bring in much-needed revenue to help build a better future for us all.

I call for the support of all the companies and entrepreneurs who will be covered by this law.

I also urge the concerned government agencies to promulgate the necessary rules and implement the needed steps to operationalize this law within the period that is prescribed within the Act.

So, as we usher in this change, let us be reminded: true progress does not just count profits—it counts everyone in.

Thank you all very much and may we continue building a stronger and fairer Bagong Pilipinas!

Maraming salamat at magandang umaga sa inyong lahat. *[applause]*

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