



PERMANENT MISSION OF THE REPUBLIC OF THE PHILIPPINES  
TO THE UNITED NATIONS AND OTHER INTERNATIONAL  
ORGANIZATIONS, GENEVA

NV-EPG-575-2018

The Permanent Mission of the Republic of the Philippines to the United Nations and Other International Organizations in Geneva presents its compliments to the Office of the UN High Commissioner of Human Rights (OHCHR) and, with reference to the fax transmittal dated 4 December 2018 from the Special Procedures Branch conveying the communication of even date from the Special Rapporteur on the promotion and protection of the right to freedom of opinion and expression, Mr. David Kaye, concerning tax evasion charges against the news website Rappler and its Chief Executive, Ms. Maria Ressa, has the honor to inform the OHCHR that the letter has been transmitted to the capital.

As a preliminary response, the Philippine Mission would like to cite the following:

- Media freedom remains vibrant in the Philippines. As the supreme law of the land, the Philippine Constitution guarantees and protects freedom of speech. The first Administrative Order signed by President Rodrigo Duterte since he took office in June 2016 was to create a Presidential Task Force on Media Security to address violations to the media's right to life, liberty, and security. President Duterte's second Executive Order signed in July 2016 was on Freedom of Information (FOI) which operationalized the people's constitutional right to information and state policies to full public disclosure and transparency in public service.
- The cases that have been filed against Rappler Holdings Corporation and its president, Ms. Maria Ressa, are based on the existence of probable cause per records and evidence from the Bureau of Internal Revenue indicating willful attempt to evade or defeat tax and willful failure to supply correct and accurate information, violating Sections 254 and 255 of Republic Act No. 8424 of December 1997 also known as the National Internal Revenue Code or the Tax Code.

*(The Bureau of Internal Revenue.../ page 2)*

Geneva, 12 December 2018

**Office of the United Nations High Commissioner for Human Rights**

ATTN: Special Procedures Branch  
Palais Wilson  
52 Rue des Paquis  
CH-1201 Geneva



- The Bureau of Internal Revenue submitted the following:
  - The 2015 tax returns of Rappler Holdings Corp. did not reflect the total gain of almost 162.5 million Philippine pesos which it realized from its issuance of Philippine Depository Receipts to NBM Rappler L.P. and Omidyar Network Fund L.L.C.
  - On various dates between 2014 to 2015, Rappler Holdings Corp. purchased a total of 119,434,438 common shares from Rappler, Inc. at one Philippine Peso per share. Rappler Holdings Corp. thereafter issued Philippine Depository Receipts against most of the Rappler, Inc. shares that it held to NBM Rappler and Omidyar. The subscription price paid was P181.6M, Rappler Holdings Corp. allegedly gained close to 162.5 million Philippine pesos from the transaction, which it failed to declare in its tax return.
- In buying Rappler, Inc. shares for the purpose of underwriting Philippine Depository Receipts for resale to interested buyers, the Department of Justice submitted that Rappler Holdings Corp. acted as a middleman whose profits were taxable under the Tax Code. By not declaring such profits in its returns, it was also submitted that Rappler Holdings Corp. had violated the Tax Code. Section 253 of the same makes a corporate president, among other officers, personally liable for such infraction by the corporation.
- Philippine law guarantees that the company and its responsible officer, Ms. Maria Ressa, are accorded due process and are able to access legal recourses to defend themselves from the charges.
- There is no restriction to the work of Rappler or its journalists, evidenced by Rappler's continued operation and presence online.

The Philippine Government assures the Special Rapporteur of its unwavering commitment to continue promoting and protecting freedom of opinion and expression.

The Permanent Mission encloses herewith a copy of the above-mentioned response **for OHCHR to publish on its website** alongside the Press Release by the Special Rapporteur.

The Permanent Mission of the Republic of the Philippines to the United Nations and Other International Organizations in Geneva avails itself of this opportunity to renew to the United Nations Office of the High Commissioner for Human Rights the assurances of its highest consideration.





PERMANENT MISSION OF THE REPUBLIC OF THE PHILIPPINES  
TO THE UNITED NATIONS AND OTHER INTERNATIONAL  
ORGANIZATIONS, GENEVA

12 December 2018

***RESPONSE IN RESPECT OF SPECIAL RAPPORTEUR'S COMMUNICATION  
CONCERNING TAX EVASION CHARGES AGAINST RAPPLER***

The Permanent Mission of the Republic of the Philippines to the United Nations and Other International Organizations in Geneva provides the following response in respect of the communication of 4 December 2018 from Mr. David Kaye, Special Rapporteur on the promotion and protection of the right to freedom of opinion and expression, concerning tax evasion charges against the news website Rappler and its Chief Executive, Ms. Maria Ressa:

- Media freedom remains vibrant in the Philippines. As the supreme law of the land, the Philippine Constitution guarantees and protects freedom of speech. The first Administrative Order signed by President Rodrigo Duterte since he took office in June 2016 was to create a Presidential Task Force on Media Security to address violations to the media's right to life, liberty, and security. President Duterte's second Executive Order signed in July 2016 was on Freedom of Information (FOI) which operationalized the people's constitutional right to information and state policies to full public disclosure and transparency in public service.
- The cases that have been filed against Rappler Holdings Corporation and its president, Ms. Maria Ressa, are based on the existence of probable cause per records and evidence from the Bureau of Internal Revenue indicating willful attempt to evade or defeat tax and willful failure to supply correct and accurate information, violating Sections 254 and 255 of Republic Act No. 8424 of December 1997 also known as the National Internal Revenue Code or the Tax Code.
- The Bureau of Internal Revenue submitted the following:
  - The 2015 tax returns of Rappler Holdings Corp. did not reflect the total gain of almost 162.5 million Philippine pesos which it realized from its issuance of Philippine Depositary Receipts to NBM Rappler L.P. and Omidyar Network Fund L.L.C.
  - On various dates between 2014 to 2015, Rappler Holdings Corp. purchased a total of 119,434,438 common shares from Rappler, Inc. at one Philippine Peso per share. Rappler Holdings Corp. thereafter issued Philippine Depositary Receipts against most of the Rappler, Inc.

shares that it held to NBM Rappler and Omidyar. The subscription price paid was P181.6M, Rappler Holdings Corp. allegedly gained close to 162.5 million Philippine pesos from the transaction, which it failed to declare in its tax return.

- In buying Rappler, Inc. shares for the purpose of underwriting Philippine Depository Receipts for resale to interested buyers, the Department of Justice submitted that Rappler Holdings Corp. acted as a middleman whose profits were taxable under the Tax Code. By not declaring such profits in its returns, it was also submitted that Rappler Holdings Corp. had violated the Tax Code. Section 253 of the same makes a corporate president, among other officers, personally liable for such infraction by the corporation.
- Philippine law guarantees that the company and its responsible officer, Ms. Maria Ressa, are accorded due process and are able to access legal recourses to defend themselves from the charges.
- There is no restriction to the work of Rappler or its journalists, evidenced by Rappler's continued operation and presence online.

The Philippine Government reaffirms its unwavering commitment to continue promoting and protecting freedom of opinion and expression.