

April 14, 2021

HON. CARLOS G. DOMINGUEZ III

Secretary
Department of Finance (DOF)
Roxas Blvd., Corner Pablo Ocampo, Sr. St,
Manila 1004

THRU:

HON, ANTONETTE C. TIONKO

Undersecretary

Dear Secretary Dominguez:

The result of operations for CY 2020 of Clark International Airport Corporation (CIAC) disclosed a net income of Php 125,463,628.16.

With an adjusted taxable income of Php 190,112,327.37, following the provisions under Republic Act No. 7656 (The Dividend Pay Law) and its Implementing Rules and Regulations, CIAC is bound to declare and remit to the National Government at least 50% of this, or an amount equivalent to Php 95,056,163.69.

However, the flexible clause of Section 7 (b) of the Revised IRR of R.A. 7656 dated 26 January 2016 categorically provides that: where there is a presence of a deficit as reflected in the GOCC's latest Statement of Equity, it may request for a downward dividend rate adjustment upon proper submission to the Secretary of Finance.

Per the attached audited financial statements of CIAC, its retained earnings deficit as of December 31, 2020 stands at PHP 313,960,847.35.

In view of the cited provision, may we formally request for the downward adjustment of the Dividend rate from 50% to 0% on the net earnings of CY 2020.

May our humble request be attended to with your usual favorable support as we continue to exert effort in ensuring the welfare and viability of CIAC, especially during these trying times when we struggle to keep our operations afloat in the midst of the pandemic.

Thank you and best regards.



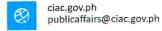
GEN. AARON N. AQUINO, (Ret.)

President & Shief Executive Officer

CIAG-OPLETTERNO 21-641







2021 Projected Dividend Collection

Corporate Affairs Group - Department of Finance CY2020

SECTOR:

Transportation and Area Development

ITEMS		Amount
NET TAXABLE INCOME - SPECIAL (based on ITR 1702MX) LESS: TOTAL INCOME TAX DUE ADJUSTED INCOME - SPECIAL	1000 000	167,167,915.32 8,358,395.77 158,809,519.55
GROSS INCOME/RECEIPTS subject to Final Witholding Tax LESS: TOTAL FINAL TAX WITHHELD/ PAID ADJUSTED INCOME - FINAL TAX	c/ d/	
NET TAXABLE INCOME - EXEMPT ADD: Special Allowable Itemized Deductions LESS: INCOME TAX DUE ADJUSTED INCOME - EXEMPT	e/ f/ g/	· · · · · · · · · · · · · · · · · · ·
National Government Operating Subsidies	h/	
Project Subsidies Adjustments (if applicable)*		
TOTAL ADJUSTED INCOME	:	190,112,327.37
Dividend Rate PROJECTED DIVIDEND COLLECTION	:	50% 95,056,163.69
*Project Subsidies Adjustments		Amount
 Does the GOCC includes the Project and/or Tax Subsidies (other than the operating subsidies) in the income tax return as Revenue? (Yes/No/NA) Does the GOCC includes the actual disbursements of project/tax subsidy the income tax return under allowable deductions? (Yes/No) 		

ACTION GUIDE:

For No/Yes - Add back the actual expense reported in the adjusted income for For Yes/No - Deduct the actual project/tax subsidies collected from the NG.

For Yes/Yes - Deduct the unutilized portion of project/tax subsidies. For N/A & No/No - No action needed.

Reconciliation of Net Income per Books against Taxable Income (Schedule 10 of Income Tax Return)	Amount
Net Income/(Loss) per books	125,463,628.16
Add:Non-deductible Expenses/Taxable Other	
Income	32,436,948.67
Less: Non-taxable income and income subjected	3 X ⊘
to final tax	(9,267,338.49)
Less: Special Deductions	•
Net Taxable Income/(Loss)	167,167,915.32

	Amount
Outstanding Dividend Arrears*	
Status/Comments	4

^{*}For net earnings as of December 31, 2015 and beyond.

NOTES:

- a/ BIR Form No. 1702 MX (page 3, schedule 1, #10)
- b/ BIR Form No. 1702 MX (page 3, schedule 1, #12)
- c/ BIR Form No. 1702 MX (page 7, schedule 10, #5)
- d/ BIR Form No. 1702 MX (not applicable)
- e/ BIR Form No. 1702 EX (not applicable)
- f/ BIR Form No. 1702 EX (not applicable)
- g/ BIR Form No. 1702 EX (not applicable)
- h/ Operating Subsidies actually received by GOCCs during CY 2016 (not applicable)

^{*}Exclude the GOCCs that were included in the recent MFP.



SECRETARY'S CERTIFICATE

I, ATTY. MISHEENA JOYCE C. TIATCO, Acting Corporate Secretary of the Clark International Airport Corporation (CIAC), a corporation duly organized and existing under the laws of the Republic of the Philippines with office address at Corporate Office Building, Clark Civil Aviation Complex, Clark Freeport Zone, Pampanga, hereby certify, that during the 13th April 2021 4th Regular Board Meeting of the Board of Directors of the corporation, the following resolution was approved:

Resolution No. RM-04-07, Series of 2021

"RESOLVED, that the recommendation of the Finance Committee to declare dividends for the year 2020 in the amount of Ninety Five Million Fifty Six Thousand One Hundred Sixty Three Pesos and 69/100 (PhP 95,056,163.69), be APPROVED, as it is hereby APPROVED."

"RESOLVED FURTHER, that the recommendation of the Finance Committee to request from the Department of Finance a downward adjustment on the dividend rate from 50% to 0% for the dividend due of CIAC for CY 2020, considering that CIAC has a negative stockholders' equity, be APPROVED, as it is hereby APPROVED."

IN WITNESS WHEREOF, I hereby sign this instrument this 14th day of April 2021 at Clark Freeport Zone, Philippines.

Acting Corporate Secretar



