

REVENUE REGULATIONS NO. 12-2022 issued on September 13, 2022 prescribes the policies and guidelines for the availment of incentives under Republic Act No. 9999 (Free Legal Assistance Act of 2010).

Lawyers or professional partnerships rendering actual free Legal Services shall be entitled to an allowable deduction from the gross income equivalent to the lower of:

- a. the amount that could have been collected for the actual free Legal Services rendered;
- or
- b. ten percent (10%) of the gross income derived from the actual performance of the legal profession.

The actual free Legal Services shall be **exclusive** of the minimum sixty (60)-hour mandatory legal aid services rendered to indigent litigants as required under the Rule on Mandatory Legal Aid Services for Practicing Lawyers, under Bar Matter No. 2012, issued by the Supreme Court.

In order to avail of the incentives provided in Section 4 of the Regulations, the lawyers or professional partnerships shall attach to their Income Tax Return (ITR) for the period when the deduction was claimed the following documents:

- a. Certification from the Public Attorney's Office, the Department of Justice or accredited association of the Supreme Court indicating that:
 - the legal services to be provided are within the services defined by the Supreme Court;
 - the agencies cannot provide the Legal Services to be provided by the private counsel; and
 - the Legal Services were actually undertaken.
- The Certification from the association and/or organization duly accredited by the Supreme Court shall specify the number of hours actually provided by the lawyer or professional partnership in the provision of the Legal Services.
- b. Accomplished BIR Form No. 1701 (for individual lawyers) or BIR Form No. 1702-EX (for general professional partnership), particularly Schedules 5 and 2, respectively, on "Special Allowable Itemized Deductions."
- c. Sworn Statement of the Lawyer or managing partner (in case of professional partnership) as to the amount that could have been collected for the actual free legal service.