

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

January 8, 2013

REVENUE MEMORANDUM CIRCULAR NO. 8-2013

Subject : Publishing the Full Text of Joint Circular No. 6-2012 dated September 5, 2012 of the Department of Finance (DOF), Bureau of Internal Revenue (BIR) and Department of Budget and Management (DBM) Entitled Joint Guidelines Implementing the Special Provision of the General Appropriations Act on Value Added Tax (VAT) Refunds

To : All Revenue Officials, Employees and Others Concerned

For the information and guidance of all internal revenue officers, employees and others concerned, quoted hereunder is the full text of Joint Circular No. 6-2012 dated September 5, 2012:

**“JOINT CIRCULAR NO. 6-2012
(Joint Guidelines Implementing the Special Provision
of the General Appropriations Act on Value Added Tax (VAT)
Refunds)
September 5, 2012**

Section 1. *Background.* This Joint Circular is issued in compliance with the provisions of Paragraph 2, Special Provision No. 4, Budget of the Bureau of Internal Revenue under Republic Act (R.A.) No. 10155, or the FY 2012 General Appropriations Act (GAA), requiring issuance of guidelines jointly by the DOF, BIR and DBM to govern the refund of input taxes attributable to zero-rated or effectively zero-rated transactions under Section 112 of R.A. No. 8424, as amended.

Section 2. *Coverage.* These guidelines shall cover all claims for refund of input VAT attributable to zero-rated or effectively zero-rated transactions under Section 112 of the National Internal Revenue Code (NIRC) of 1997 or R.A. No. 8424, as amended, filed or lodged with the BIR after the date of effectivity of this Joint Circular.

Section 3. *Responsibilities.*

A. Department of Budget and Management (DBM). The DBM shall have the following duties:

1. Budget Preparation

Ensure that the funding requirements for the tax refunds provided hereunder are included in the National Expenditure Program based on the amount requested by the BIR as endorsed by the Department of Finance, subject to the provisions of the annual budget preparation guidelines issued by the DBM.

2. Budget Execution

2.1 Ensure the timely release of the Special Allotment Release Order (SARO) and Notice of Cash Allocation (NCA) upon receipt of the Special Budget Request from the BIR as endorsed by its Commissioner or designated signatory pursuant to DBM Circular Letter No. 99-9 dated 23 August 1999, together with the following supporting documents:

2.1.1 List of Claimants of VAT Refund signed by the BIR Commissioner or his/her authorized official with the Waiver (Annex "A"); and

2.1.2 Monthly Cash Program

2.2 Return immediately those requests not supported by the complete documentary requirements enumerated above.

B. Department of Finance (DOF). The DOF shall favorably endorse to the DBM, BIR's request for funding or any necessary adjustments therein during the budget preparation.

C. Bureau of Internal Revenue (BIR). The BIR shall:

1. Accept, audit/verify and process claims for VAT refund on local purchases and importations, as allowed under the NIRC of 1997, as amended, in accordance with existing revenue issuances.
2. Approve all valid claims for VAT refund on local purchases, and insofar as input VAT on importations is concerned, determine the validity of the claim and issue

the authority for the Bureau of Customs to issue the refund.

3. Request for funding of approved refunds from the DBM, in accordance with existing guidelines and procedures.
4. For taxpayers with pending claims for Tax Credit Certificates (TCCs) on VAT received by the BIR prior to the effectivity of Executive Order (EO) No. 68, including those with unclaimed TCCs, the BIR shall request for the taxpayers' option in writing as to whether they would like to apply for refund instead.

The BIR shall also submit, either in printed form or by way of electronic document, separate quarterly reports on the utilization of the amounts appropriated for tax refunds to the DBM, the House Committee on Appropriations and the Senate Committee on Finance. It shall also ensure that said reports are likewise posted on its official website.

Section 4. *Guidelines and Procedures.* The guidelines and procedures prescribed by the following issuances – Revenue Memorandum Circular (RMC) No. 29-2009, Revenue Memorandum Order (RMO) No. 16-2007, Revenue Regulations (RR) No. 22-2007, RR No. 16-2005, RMO No. 50-2002, Revenue Audit Memorandum Order No. 1-99, RMO No. 53-98, and RMO No. 40-94 - shall continue to remain in force, until amended by other revenue issuances in the future, in the processing by BIR of applications for refund of input VAT on zero-rated or effectively zero-rated transactions under Section 112 of the NIRC of 1997, as amended.

Section 5. *Treatment of Pending Applications.*

- 5.1 Applications for cash conversion of TCCs pending with the BIR prior to the effectivity of this Joint Circular are to be governed by Section 204 of the NIRC of 1997, as amended, and other existing relevant issuances; and
- 5.2 Taxpayers with applications for TCCs prior to the effectivity of EO No. 68 and this Joint Circular will be given the option to apply for refund instead.

Section 5. *Separability.* In case any provision of this Joint Circular is declared unconstitutional or contrary to law, the other provisions, which are not affected thereby, shall continue to be in force and in effect.

Section 6. *Effectivity.* This Joint Circular shall take effect fifteen (15) days from its publication in the Official Gazette or in at least two newspapers of general circulation.

(Signed)
CESAR V. PURISIMA
Secretary
Department of Finance

(Signed)
FLORENCIO B. ABAD
Secretary
Department of Budget and Management

(Signed)
KIM S. JACINTO-HENARES
Commissioner
Bureau of Internal Revenue"

All concerned are hereby enjoined to be guided accordingly and give this Circular a wide publicity as possible.

(Original Signed)
KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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ANNEX "A"

CLAIMANTS	Kind of Refund	Date of Refund	AMOUNT
TOTAL			Php

I hereby assume full responsibility for the veracity and accuracy of the listed claims, and the authenticity of the supporting documents as submitted by claimants. We hereby release the Department of Budget and Management from any liability, whether civil or criminal, arising from fictitious accounts, excessive disbursements and other anomalous transactions.

Approved:

Head of Agency or Authorized Official