



Bringing In Revenues
for Nation-Building

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
National Office Building
Quezon City



AUG 11 2025

REVENUE REGULATIONS NO. 023-2025

SUBJECT : Updated Policies, Guidelines, and Procedures in the Implementation of the Tax Subsidy Granted by the Fiscal Incentives Review Board (FIRB) to the Armed Forces of the Philippines Commissary and Exchange Service (AFPCES)

TO : All Internal Revenue Officers and Others Concerned

SECTION 1. Scope. – These regulations are hereby promulgated to implement the tax subsidies granted by the FIRB to the AFPCES with respect to their purchases from local manufacturers, producers, or suppliers of articles or commodities subject to value-added tax (VAT) and/or excise tax and the sale thereof to persons entitled to commissary privileges, updating for this purpose Revenue Regulations Nos. 13-2002 and 31-2003.

SECTION 2. Coverage. – The privileges granted herein shall be limited to the products/goods, amount of tax subsidy, scope and period of tax subsidy as provided in the FIRB Resolution and Certificate of Entitlement to Subsidy (CES) issued by the FIRB.

SECTION 3. General Guidelines. – Applications for tax expenditure subsidies shall be filed with the FIRB following the prescribed requirements and procedures under the Department of Finance and Department of Budget and Management Joint Circular (DOF-DBM JC) No. 001-2024 or the “*Rules, Guidelines, and Procedures Implementing the Tax Expenditure Subsidy Section Under the General Provisions of the Annual General Appropriations Act.*”

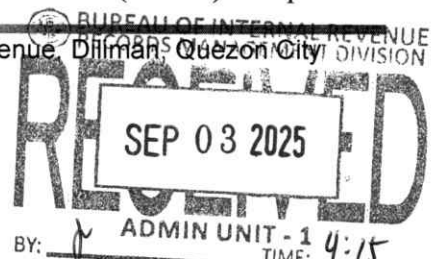
No purchase order (PO) for articles or commodities originating from the AFPCES, for which payment of the corresponding tax shall be made through the application of its government-granted subsidy, shall be honored or filed by any manufacturer, producer, or supplier unless the same is approved by the authorized official of the AFPCES indicated therein. The name of the approving officials, together with their original specimen signatures, shall be furnished to the Commissioner of Internal Revenue (CIR) or his duly authorized officers.

SECTION 4. Procedural Guidelines for Items Subject to VAT and Excise Tax for Petroleum Products. – AFPCES shall apply for tax expenditure subsidy with the FIRB together with the documents enumerated in Section 5.2.1 of the DOF-DBM JC No. 001-2024, as may be applicable.

4.1. Application for Certificate of Tax Subsidy Availment (CTSA). – Upon

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receipt of the FIRB Resolution approving the tax subsidy application, AFPCES shall submit the same to the concerned Bureau of Internal Revenue (BIR) Revenue District Office (RDO) having jurisdiction over the principal place of business or head office of AFPCES. The application for the issuance of the CTSA shall be signed by the duly authorized official of the AFPCES.

4.1.a For articles subject to VAT, AFPCES shall attach to the FIRB Resolution a copy of the PO and two (2) copies of the suppliers' invoice covering the transaction. The aforesaid transaction shall be billed VAT inclusive.

4.1.b For articles subject to excise tax, AFPCES shall prepare the POs indicating therein the tax base, amount of excise tax due, and total amount. The PO shall be coursed through the concerned RDO for proper evaluation of the accuracy of the amount of excise tax indicated therein. The PO shall then be used to support the preparation and issuance of a CTSA equivalent to the excise tax amount computed by the concerned RDO. In addition to the PO, the original copies or certified true copies of the Supply Agreement between the dealer and local refiner shall also be submitted along with the FIRB Resolution. It should be stated in the agreement that the supply is being purchased exclusively for AFPCES. To ensure that the excise tax thereon has been paid, the documents pertaining to said transactions shall be subject to proper verification by the RDO prior to the release of the CTSA.

All invoices issued to AFPCES covering the sale of motor fuel and lubricants shall indicate legibly, among others, the name of the purchaser, who is the user of the vehicle, if government-issued, or the owner of the vehicle, maker of vehicle, plate number, and kind/description and quantity of petroleum products to be sold.

Upon full and actual receipt of its purchased articles, AFPCES shall immediately submit to the concerned RDO the copy of the sales invoices and delivery receipts (DR), duly acknowledged by AFPCES' authorized representative, corresponding to the POs covered by the CTSA issued in its favor. The following information shall be indicated in the DR:

1. Full name of the authorized employee;
2. Signature of the above employee who receive the purchased article/products;
3. Date of receipt;
4. Time of receipt; and
5. Place of actual delivery/unloading of purchased articles.

The RDO shall not process any subsequent application for CTSA on excise tax unless a previously issued Tax Subsidy Availment Certificate (TSAC) in favor of AFPCES has been fully liquidated as herein required.

Purchases of petroleum products from dealers shall be covered by tax subsidy only if the same are purchased by dealers directly from local refiners. In the event that no local refinery exists as certified by the Department of Energy, only then shall purchases from dealers that source their petroleum products through importers be covered by the tax subsidy.

4.1.c Upon determination that the application is complete and in order, the CIR, through the RDO, shall issue the CTSA, which shall contain a summary of approved invoices/billings.



4.2. Application for CES. – Upon receipt of the CTSA, AFPCES shall submit the same to the FIRB for the issuance of CES. The CES shall be valid and effective until December 15 of the current calendar year, unless otherwise extended to December 31 of the current year, as warranted.

4.3. Submission of Quarterly Report of Taxes and Duties Availments (QRTDA). – Within ten (10) working days after the end of each quarter, AFPCES shall prepare the QRTDA to be distributed as follows:

Original and Triplicate	-	DBM Budget Operations Bureau
Duplicate	-	AFPCES

4.4. Request for Special Allotment Release Order (SARO). – Upon completion of the QRTDA, AFPCES shall submit to the DBM a request for the issuance of SARO, supported by the original and triplicate copy of the QRTDA, original copy of CES, and original copy of CTSA.

Upon approval of the application, the DBM shall issue a SARO in favor of the Bureau of Treasury (BTr) to cover the payment of the aforesaid taxes payable to the BIR. The AFPCES shall furnish the RDO having jurisdiction over the AFPCES' principal office and the BTr with a copy of the SARO.

Upon receipt of the SARO, the RDO having jurisdiction over AFPCES' principal office shall furnish the Revenue Accounting Division (RAD) under the Collection Service with a copy of the same. The RAD shall record the corresponding revenue collection upon receipt of BTr's Journal Entry Voucher (JEV).

The SARO, which the DBM will issue, shall serve as the basis for recording both the obligation and liquidation of the tax expenditure. The amount of the SARO shall correspond to the amount indicated in the QRTDA. The DBM shall accomplish the appropriate portion of the QRTDA indicating the SARO number and date thereof.

4.5. Application for TSAC. Upon receipt of the SARO, AFPCES shall forward a copy of the same to the BIR together with a copy of the CES and other documents as may be required by the BIR. Upon receipt of complete documents, the RDO shall prepare within five (5) working days the TSAC for taxes payable in five (5) copies to be distributed as follows:

Original	-	AFPCES
Duplicate	-	BIR (Collection Service - RAD)
Triplicate	-	BIR (RDO / issuing office's copy)
Quadruplicate	-	Supplier
Quintuplicate	-	BIR, for transmittal to DOF when completely utilized.

Before the release of the TSAC, each availment of the subsidy shall be properly recorded by the RDO to determine and update the balance of the released allotment. The RDO shall submit a monthly report of the TSAC issued, with the duplicate copy of the TSAC, to the RAD within fifteen (15) days after the end of each month.



For excise tax purposes, AFPCES shall submit to the RDO - Collection Section, all documents enumerated in Section 4.1.b in addition to the CES. Prior to the issuance of the TSAC, the issuing office shall update its books to indicate the available balance for future utilization after deducting the latest application on TSAC utilization for excise tax purposes. The name of the dealer and local refiner from whom the petroleum product was purchased shall be indicated in the TSAC to be issued as follows:

(Name of Dealer) for the Account of (Name of Supplier/Local Refiner)

The amount appearing in the said TSAC shall be deducted from the total amount payable by the petroleum dealer to the supplier/local refiner and/or shall be used to pay the input VAT on purchases of goods made by AFPCES from its local manufacturers, producers, or suppliers. For excise tax purposes, the TSAC shall be used by the supplier/local refiner as payment for its excise tax liability with the BIR without the necessity of applying for transfer/utilization.

SECTION 5. Registry book. – The manufacturers, producers, or suppliers referred to herein, as well as the AFPCES, shall each have a registry book, duly registered with the BIR. All sales made to AFPCES by the manufacturers, producers, or suppliers shall be entered in the said registry book not later than the day immediately following the date of the transaction. The books of the manufacturer, purchaser, or supplier and AFPCES shall be kept and maintained like any ordinary accounting record and shall be opened for inspection at any time during office hours by any duly authorized internal revenue officer.

SECTION 6. Accounting Requirements. – Pertinent accounting entries for transactions relating to the above procedures shall be recorded in accordance with the Circular/Guidelines that may be issued by the Commission on Audit for this purpose.

SECTION 7. Sanctions. – The head of the AFPCES who, by fault or negligence, fraudulently misrepresents any transaction as official, shall suffer the appropriate penalties provided by law, either administratively or criminally, or both. AFPCES shall be responsible for ensuring that all procedural guidelines prescribed in DOF-DBM JC No. 001-2024 and this Revenue Regulations, insofar as these affect their application, are strictly adhered to. In case of a transaction made in the name of another National Government Agency or government-owned and/or -controlled corporation (GOCC), the sanctions referred to herein shall apply to the head of the agency or GOCC primarily responsible for the transaction. Whenever applicable, the sanctions referred to herein shall likewise apply to any private entity involved in the transaction.

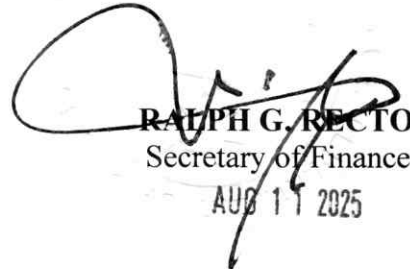
Provided, that in case of cancellation, suspension, or withdrawal of the CES, the FIRB shall endorse such order to the BIR - RDO for the assessment and collection of appropriate taxes, including surcharge, interest and any applicable penalties thereon.

SECTION 8. Confidentiality Clause. – Any information and data obtained from the documents submitted by AFPCES shall be processed in accordance with Republic Act No. 10173 and its implementing rules and regulations, Section 270 of the National Internal Revenue Code of 1997, as amended and other relevant laws and issuances.

SECTION 9. Repealing Clause. – All other revenue issuances, rules and regulations or parts thereof that are contrary to and inconsistent with any provisions of these regulations are hereby repealed, amended or modified accordingly.

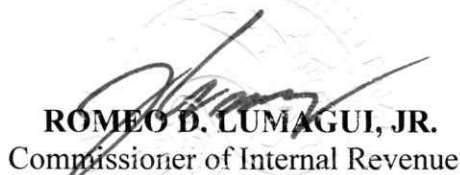


SECTION 10. Effectivity Clause. – These regulations shall take effect fifteen (15) days following its publication on the Official Gazette or the BIR official website, whichever comes first.


RALPH G. RECTO
Secretary of Finance
AUG 11 2025



Recommending Approval:


ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue

