



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



SEP 08 2025

REVENUE MEMORANDUM ORDER NO. 038-2025

SUBJECT : Consolidated Guidelines and Procedures for the Processing of Claims for Refund of Excise Tax Paid on Petroleum Products, amending Revenue Memorandum Order No. 16-2024 and other related issuances.

TO : All Internal Revenue Officers, Employees and Others Concerned

I. BACKGROUND

Revenue Memorandum Order (RMO) No. 16-2024 was issued to prescribe and update the checklist of documentary requirements to be submitted for claims of excise tax refund on petroleum products and to provide uniform standard policies and procedures in the processing of applications thereof.

With the passage of Republic Act (RA) No. 10963 or the "Tax Reform for Acceleration and Inclusion (TRAIN)" Law, the enactment of Republic Act No. 11976 or the "Ease of Paying Taxes (EOPT)" Act, the revision of Section 135 and introduction of a new Section 135-A of the National Internal Revenue Code of 1997, as amended (Tax Code), as amended by Sections 10 and 11 of RA No. 12066, or the "*Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy*" (CREATE MORE Act), on Petroleum Products Sold to International Carriers and Exempt Entities or Agencies and on Refund of Excise Tax on Petroleum Products, there is a need to update the guidelines and procedures for the processing of claims for refund of excise tax paid on petroleum products and sold to international carriers and exempt entities or agencies and update the checklist of documentary requirements thereof.

II. OBJECTIVES

This Order is issued with the following purposes:

Amend pertinent provisions of RMO No. 16-2024 and its Annex "A" (Updated List of Documents to be Submitted for Claims for Excise Tax Refund on Petroleum Products); and

Provide consolidated standard policies and procedures in the processing of applications for excise tax refund on petroleum products in Revenue District Offices (RDO) and Large Taxpayers Service (LTS).



III. GENERAL POLICIES

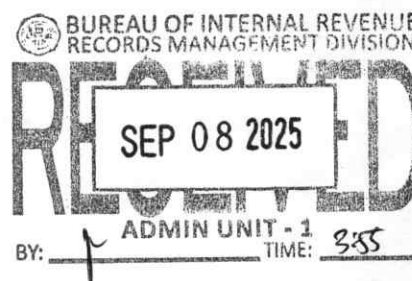
1. The claims for excise tax refund pursuant to Sections 135 and 135-A of the Tax Code must conform with the following essential requisites:
 - a. The refund shall pertain to claims under Section 135 of the Tax Code.
 - b. Filing of a claim for refund shall be done within two (2) years after payment of the tax or penalty.
 - c. The claim must be supported with a copy of the duly filed written application together with the application for refund (BIR Form No. 1914) with the corresponding proof of payment remitted to the Bureau of Internal Revenue (BIR) and/or the Bureau of Customs (BOC).
2. The processing offices authorized to receive the Application for excise tax refunds are as follows:
 - a. The RDO;
 - b. The respective Large Taxpayer Audit Division (LTAD) or Large Taxpayer District Office (LTDO) under the LTS.

In all cases, the Revenue Office (RO)- Assessment designated as Officer of the Day shall receive claims filed at the aforesaid authorized processing office with the taxpayer-claimant attestation that the documents submitted are complete.

The following offices shall be responsible in the processing, reviewing and approving the claims for refund filed by the taxpayer-claimant under their respective jurisdictions, regardless of the amount:

Processing Office	Reviewing Office	Approving Official
RDO	Assessment Division (AD)	Regional Director (RD)
LTAD/ LTDO	HREA – LTS	ACIR - LTS

3. Section 135-A of the Tax Code mandates that the time-frame to grant in full or in part the claims for refund is ninety (90) days from the date of submission of complete documents in support of the application. Hence, the concerned offices shall strictly observe the 90-day time-frame to grant in full or in part the claims for refund, broken down as follows:



a. Regional and LTS Claims

Particulars	Number of Days from Receipt of Application	
	Claims with BIR	Claims with BOC
Verification/Processing (RDO/ LTAD)	62	60
Review (AD/ HREA - LTS)	8	8
Approval by RD/ ACIR-LTS	5	5
Approval by RD/CIR of BOC Endorsement	-	2
Total No. of Days	75	75

b. Time Frame to Process Payment of Approved Excise Tax Refund Claims

i. Claims Filed and Processed at the Regional Offices

Processing Office	No. of Days after Approval of the Issuance of Refund
Finance Service/ Accounting Division	8
Finance Division	3
Administrative and Human Resource Management Division (AHRMD)	2
Office of the Regional Director	2
Total Number of Days	15

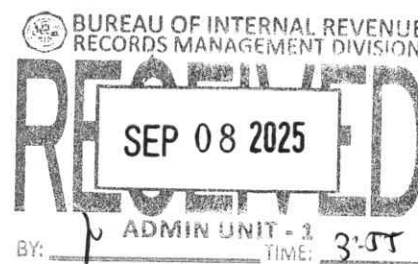
ii. Claims Filed and Processed at the LTS

Processing Office	No. of Days after Approval of the Issuance of Refund
Finance Service/ Accounting Division	10
Administrative Service	5
Total Number of Days	15

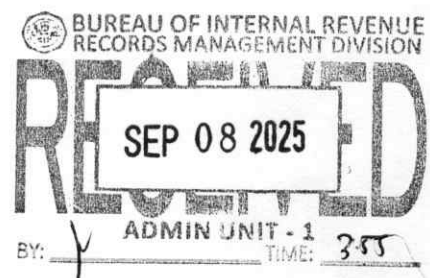
4. The Application/Request Letter for Excise Tax refund shall sufficiently state the background of the transaction/claim, the legal and factual basis of the claim, the covered quarter period of the claim, the date or period of the sale of the petroleum products and all material details of the covered importation and the sale of petroleum products, which shall be respectively outlined in tabular form.

The claim shall be accompanied by a duly accomplished BIR Form No. 1914 which shall clearly indicate the covered quarter period, legal basis of claim and the claim amount from BIR and/or BOC. The reason for filing the claim shall be indicated under "Others" specifying thereof "Section 135 and 135-A of the Tax Code."

5. The time frame to process and grant a refund shall be ninety (90) days from the date of filing of complete documents in support of the application filed, duly received by the authorized processing office.



6. If upon filing or during the processing of the excise tax refund, the taxpayer-claimant has outstanding tax liabilities (final and executory) as defined under Section II (1) of RMO No. 11-2014, as evidenced by Certification on Outstanding Tax Liability/ies of Taxpayer which shall be valid for six (6) months from time of issuance, the processing/ reviewing/ accounting Office, shall notify the Collection Section of the RDO and Collection Division of the Revenue Region or the LT-Collection Enforcement Division (LTCED), whichever has jurisdiction over the taxpayer-claimant, of the approved refund which may be used or garnished by the BIR to collect either fully or partially for the outstanding delinquent tax liability/ies of the taxpayer-claimant, subject to existing tax laws and revenue issuances on the enforcement and settlement of delinquent accounts.
7. All claims for excise tax refund on petroleum products shall be made on a quarterly basis, aligned with the taxpayer's accounting period, whether calendar or fiscal. The claim for refund must pertain to the specific quarter/period in which the excise taxes were paid, and shall be filed within the prescribed period of two (2) years after the date of payment of such excise taxes.
8. All applications shall be accompanied with complete documentary requirements as enumerated in Annex "A" hereof.
9. The duly-authorized representative of the taxpayer-claimant shall execute a Sworn Statement (Annex "A-1" hereof) attesting, among others, that the total amount of claim for excise tax refund with the BIR and/or BOC were properly disclosed and recorded in the Audited Financial Statement (AFS) or any recent available books of accounts, if in case the AFS is not available, as part of the Corporation's accounts receivables from the government; that the claim are duly supported by pro-forma/related journal entries showing the recording of the importation/ manufacture of petroleum products, sale of the products to international carriers and exempt entities or agencies and the filing of related claims for refund; that the excise taxes were not passed on to the customers and neither recorded as expenses in the books of account and computation of taxable income and that all documents presented and submitted are complete.
10. Taxpayer-claimant should accurately present in the excise tax refund summary (Annex "A-2") the breakdown of transactions and transfers of product from initial purchase, intermediate transfers, and sale to customer.
11. Taxpayer-claimant should demonstrate timely submission of all monthly transcript sheets of Official Register Books (ORBs) including soft copy in Comma Separated Value (CSV) format which ORBs should have been kept and maintained within the place of production or warehouse and made available for inspection by the BIR.
12. The result of the verification of the claim, whether approval or denial, shall be communicated to the taxpayer-claimant, which shall be signed by the authorized revenue official and shall be served by the originating processing office. Should the authorized processing office deny, in full or in part, the claim for excise tax refund, the same shall state the legal and/or factual basis for the denial.



IV. PROCEDURES

A. Processing Office (RDO/LTAD)

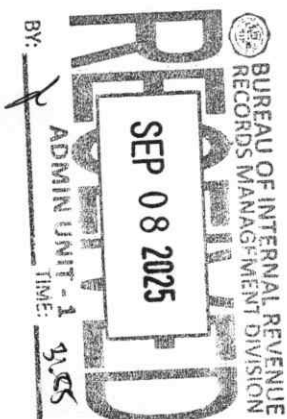
1. **Check listing.** The assigned "Officer of the Day" in the RDO or LTAD/LTDO that has jurisdiction over the taxpayer-claimant shall:
 - a. Check the accomplished Application for excise tax refund (BIR Form No. 1914) and the written application for completeness and propriety.
 - b. Review the attached documents based on the Updated List of Documents to be Submitted for Claims for Excise Tax Refund on Petroleum Products (Annex "A") to determine if these are complete with the required signatures and sworn statements.
 - c. Ascertain that the name of the signatory appearing on the application form is that of the duly authorized representative as shown in the Special Power of Attorney or Secretary's Certificate, as the case may be.
 - d. Stamp "RECEIVED" and sign the BIR Form No. 1914, Application/ Request Letter, Sworn Statement (Annex "A-1"), and Updated List of Documents to be Submitted (Annex "A") and forward to the Head of processing office for Issuance of Memorandum of Assignment.
2. **Issuance and service of Tax Verification Notice (TVN).** A separate TVN shall be issued by the RDO or LTAD/LTDO for the processing of excise tax refund for the purpose of verification of the books of accounts and other accounting records to properly establish the propriety of the excise tax refund claim. Such TVN issued for purposes of excise tax refund shall be distinct and separate from the audit of all internal revenue taxes. The following rules shall be followed:
 - a. The processing office shall encode the received application in the Tax Credit Refund (TCR) and Case Management System-Audit (CMS-A) under the Internal Revenue Integrated System (IRIS).
 - b. The Head of the processing office shall issue a separate TVN to authorize the verification and processing of the claim for refund.
 - c. The assigned RO/s shall serve to the taxpayer-claimant the original copy of the TVN and require the acknowledgment of receipt on the duplicate copy from its authorized representative.
3. **Verification and Reporting.** The assigned RO and Group Supervisor (GS) shall process and evaluate the claim based on the submitted documents and verification procedures prescribed in this Order.
 - a. Ascertain completeness and authenticity of the documentary requirements submitted by the taxpayer-claimant, as check-listed by the Officer of the Day. Should there be any deficiencies in the documents submitted, this may cause the denial of the claim either fully or partially.
 - b. Ascertain that the time of filing is within two (2) years after the payment of the tax or penalty.



- c. Ascertain that the taxpayer-claimant is not included in the list of Cannot-Be-Located (CBL) taxpayers.
- d. Validate the bank deposit slip, debit memo or proof of payment of the excise tax paid by the taxpayer-claimant against the BIR's information system, as well as the BOC's certificate of excise tax payments versus the importation documents.
- e. The assigned RO/s shall secure and/or print copies of the following documents available at the records and database of the BIR.

Documents to be Verified/Printed	Source/s of Data/Information
Applicable Tax Return (BIR Form No. 2200-P and/or BIR Form No. 0605)	eFPS and/or eBIRForms or RDO for manual returns
BIR payment generated from the system	IRIS and/or ITS
Delinquency Verification Certificate	For LTAD: LTCED and ARMD For RDO: Collection Division of the Revenue Region

- f. Ascertain the applicable quarterly period for the claim for excise tax refund, the amount of claim and brief nature of the claim.
- g. Determine the amount of the taxpayer-claimant's claim with the BIR and claim with the BOC out of the total claim for excise tax refund.
- h. Validate that amount of claim with the BIR and BOC, respectively, were properly disclosed and recorded in the AFS or any recent available books of accounts showing the recording of the importation and the related claims for refund, if in case the AFS is not available, as part of the taxpayer-claimant's account receivables from the government.
- i. Ascertain that the claim for excise tax refund are duly supported by pro-forma/related journal entries from the importation/manufacture of petroleum products to sale of the products to exempt entity up to the date of filing of the application of excise tax refund.
- j. Determine that the excise taxes were not passed on to the taxpayer-claimant's tax-exempt customers and neither recorded as expenses in the books of account and computation of taxable income.
- k. The assigned ROs shall prepare a memorandum report recommending the approval/denial of the claim for excise tax refund for review and preliminary approval of the GS and Head of the processing office. The assigned RO shall prepare the Disbursement Vouchers (DV), Budget Utilization Request Status (BURS) and/or approval/denial letter, whichever is applicable.



B. Reviewing Office (AD/Office of the HREA-LTS)

1. The RO-Reviewer shall conduct a review of the endorsed docket of the claim, which is recommended for approval/disapproval by the processing office.
2. The RO-Reviewer, GS and Head of the reviewing office, whichever is applicable, shall ensure the correctness of the legal basis of the claim, the propriety of the recommendation, whether for approval or denial/disapproval, correctness of the amount recommended for approval, if any, and the completeness of the documents, schedules and working papers endorsed by the processing office.
3. Upon conclusion of the review, the following shall be followed for the affixture of signatures in the memorandum report:
 - a. For claims filed in the LTS. The RO-Reviewer under the respective Office of the HREA shall initial under the portion designated for the HREA in case there is concurrence with the recommendation by the processing office. Should there be review findings that will warrant adjustment to the amount recommended for refund, the reviewing office shall return the tax docket of the claim to the processing office for revision of the memorandum report and/or compliance of the review findings.

The concerned processing office shall prepare the DV, BURS and/or approval/denial letter, whichever is applicable.

- b. For claims filed in the RDOs. The RO-Reviewer under their respective Assessment Division shall initial under the portion designated for the Chief, Assessment Division in case there is concurrence with the recommendation by the processing office. Should there be review findings that will warrant adjustment to the amount recommended for refund, the RO-Reviewer shall return the tax docket of the claim to the processing office for revision of the memorandum report and/or compliance of the review findings.

The assigned RO shall prepare the DV, BURS and/or approval/denial letter, whichever is applicable.

C. Approving Office (RD/ACIR-LTS)

1. The approving official shall prioritize the final review of the docket and memorandum report recommending approval or denial of the claim.
2. The approving official shall ascertain the correctness of the legal basis of the claim, the propriety of the recommendation, whether for approval or disapproval, and correctness of the amount recommended for approval, if any.
3. Should the approving official find the report in order, the memorandum report shall be signed approved or disapproved.



4. The approving official also shall sign the DV, BURS, and/or letter for approved claims, or denial letter based on an approved report recommending denial of the claim, if applicable.
5. The office of the approving official shall return the duly signed documents to the originating processing office, which shall personally serve the letter or notice to the taxpayer-claimant.

D. Processing and Issuance of excise tax refund Check for claims with BIR

1. The Accounting Division and Finance Service/Finance Division and Office of the Regional Director shall process and approve the DV and BURS for payment of the claim based on the approved report and contents of the docket in accordance with existing rules and regulations.
2. The Administrative Service in the National Office/AHRMD in the Regional Office shall prepare and issue the refund check based on the approved voucher in accordance with existing rules and regulations.

E. Transmittal of Docket of Approved Claim on Importation

1. The processing office shall send an advance confirmation via email at tcsecretariat@customs.gov.ph before the transmittal of the approved claims to the BOC, indicating the following details:

Name of Taxpayer	TIN	Period Covered	Tax Type	Amount Approved	Approving Official

2. The endorsement of the docket to the BOC shall be signed by the approving official identified in Item III.2 of these Regulations, except for the approved claims processed by LTAD/LTDO, which shall be endorsed by the Commissioner.
3. Upon receipt of the acknowledgment from the BOC regarding the abovementioned email, the RO who processed the claim or any BIR personnel authorized by the head of the processing office shall hand carry and submit the following documents to the Receiving Unit of the BOC Commissioner.
 - a) Letter of Endorsement to Commissioner of BOC;
 - b) Authority to Issue Excise Tax Refund;
 - c) Excise Tax Refund Claim Evaluation Report;
 - d) Schedule of Importations; and
 - e) Photocopies of Importation Documents.



F. Reporting

Tax Refund Reports (TRR) shall be submitted to the Assessment Service, Attention: Chief, Assessment Programs Division via email at apd_pes@bir.gov.ph not later than the 3rd day of each month following the procedures in accordance with the existing revenue issuances.

G. Safekeeping of the Tax Docket

1. The entire tax docket of the claim shall be forwarded to the Commission on Audit (COA) if the claim for refund is approved.
2. For claims that have been denied in full, tax docket of the claim shall be forwarded to the AHRMD for regional claims or Records Management Division for claims filed with the LTS for file and future reference.

V. EFFECTIVITY

This Order shall apply prospectively to all claims for excise tax refund on petroleum products filed on **April 1, 2025** onwards.

All other pending claims filed prior to April 1, 2025 shall be governed by Revenue Memorandum Order No. 16-2024 and other applicable rules, regulations and issuances.



Romeo D. Lumaqui, Jr.
ROMEO D. LUMAQUI, JR.
Commissioner of Internal Revenue

