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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE



June 13, 2025

REVENUE REGULATIONS NO. 025 - 2025

SUBJECT: Suspends the Implementation of the Requirement to Post a Bond under Section 160 of the National Internal Revenue Code of 1997, as Amended, for Importers and Manufacturers of Petroleum Products

TO: All Internal Revenue Officers and Others Concerned

SECTION 1. BACKGROUND

Section 160 of the National Internal Revenue Code (NIRC) of 1997, as amended, requires that importers and manufacturers of articles subject to excise tax shall post a bond, for the years succeeding the initial period of operation, based on the actual excise tax paid during the year immediately preceding the year of operation. The purpose of the bond is to secure the payment of taxes on excisable articles and to satisfy other obligations which may be incurred by the taxpayer.

Representatives from the petroleum industry and other stakeholders, however, submit that the requirement of posting importers' or manufacturers' bonds is no longer relevant or necessary given that oil companies are required to pay the excise taxes due on petroleum products prior to their release from customs custody or withdrawal from a refinery, and that the bond requirement is inconsistent with the government's policy of promoting ease of doing business and is an additional cost for these companies.

Section 5 of Republic Act (RA) No. 9485, or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, as amended by RA No. 11032, provides as follows:

"SEC. 5. Reengineering of Systems and Procedures. - All offices and agencies which provide government services are hereby mandated to regularly ... undergo evaluation and improvement of their transaction systems and procedures and reengineer the same if deemed necessary to reduce bureaucratic red tape and processing time.

The Anti-Red Tape Authority, created in this Act, shall coordinate with all government offices covered under Section 3 of this Act in the review of existing laws, executive issuances and local ordinances, and recommend the repeal of the same if deemed outdated, redundant, and adds undue regulatory burden to the transacting public.



All proposed regulations of government agencies under Section 3 of this Act shall undergo regulatory impact assessment to establish if the proposed regulation does not add undue regulatory burden and cost to these agencies and the applicants or requesting parties: Provided, That when necessary, any proposed regulation may undergo pilot implementation to assess regulatory impact.

xxx”

Thus, in conformity with the provisions of Section 5 of RA No. 9485, as amended, the BIR shall submit the said provisions of Section 160 of the NIRC, as amended, to the Anti-Red Tape Authority (ARTA), for their review of the said provisions and their recommendation on the repeal of the same, if warranted.

Furthermore, pursuant to the provisions of Section 5 of RA No. 9485, as amended, mandating all government offices and agencies that provide government services to undergo evaluation and improvement of their transaction systems and procedures and reengineer the same if deemed necessary to reduce bureaucratic red tape and processing time, the Bureau is suspending the implementation of the subject bond requirement pending ARTA’s review and recommendation, and as a “pilot implementation to assess regulatory impact” of the said proposed amendment to, or repeal of, the said provisions of the NIRC, as amended.

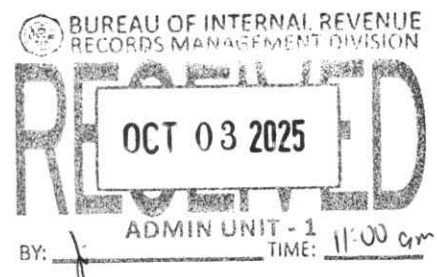
SECTION 2. SCOPE

Pursuant to the provisions of Section 244 of the NIRC of 1997, as amended, and Section 5 of RA No. 11032, in relation to Section 160 of the NIRC, as amended, these Regulations are hereby promulgated to temporarily suspend the implementation of the requirement of posting a bond to secure payment of excise tax and satisfy other obligations in relation to importation or production of petroleum products.

SECTION 3. TEMPORARY SUSPENSION OF BOND REQUIREMENT

The posting of a bond under Section 160 of the NIRC for the importation of petroleum products or production of the same in local refineries shall be temporarily suspended, subject to the following conditions:

- a. The importer/manufacturer is duly registered with the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC);
- b. The importer/manufacturer has a record of substantial compliance with tax laws and customs regulations;
- c. The importer must secure an Authority to Release Imported Goods (ATRIG) from the BIR by electronically filing an application via the Philippine National Single Window system prior to the release of imported petroleum products from customs custody or their withdrawal from local refineries; and
- d. The importer shall submit to the BIR and BOC a monthly report of all importations covered under these Regulations, including quantities, invoice values, and corresponding tax payments.



SECTION 4. SUSPENSION PERIOD

The suspension of the implementation of the bond requirement shall be in effect until such time that the ARTA has decided if there is a necessity to propose amendments to Section 160 of the NIRC, as amended, or a necessity arises due to change in behavior of the industry players.

SECTION 5. COMPLIANCE MONITORING

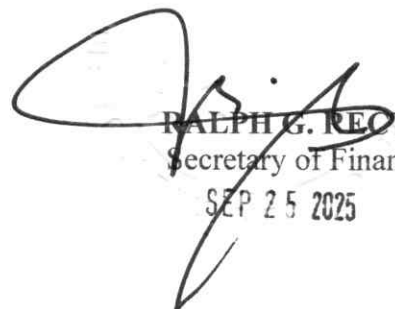

The BIR, in coordination with the BOC, shall institute appropriate control and monitoring mechanisms to ensure that taxes due are timely paid, and to prevent abuse of the temporary suspension. Non-compliance with the foregoing conditions shall be subject to appropriate penalties under existing laws and regulations.

SECTION 6. REPEALING/AMENDATORY CLAUSE



All existing rules and regulations or portions thereof inconsistent with these Regulations are hereby repealed, amended, or modified accordingly.

SECTION 7. EFFECTIVITY

These Regulations shall take effect fifteen (15) days after publication in the Official Gazette or the BIR's official website, whichever comes first.


RALPH G. RECTO
Secretary of Finance
SEP 25 2025


Recommending Approval:


ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue


D-LTS-Excise

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