

REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF INTERNAL REVENUE

Quezon City

August 15, 2007

**REVENUE REGULATIONS NO. 11-2007**

**SUBJECT :** Suspension of the Implementation of Revenue Regulations No. 6-2007

**TO :** All Internal Revenue Officers and Others Concerned

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**BACKGROUND:**

The regulations and issuances on the collection of advance VAT on the sale of refined sugar have been consolidated under Revenue Regulations No. 6-2007. These regulations provide for a) updated policies and procedures for the payment of the advance VAT on the sale of refined sugar, including those made by a duly accredited and registered cooperative in good standing, b) classification of sugar and sugar products, c) the monitoring system for the processing of raw sugar into refined sugar intended for the world market and d) the tax treatment of raw sugar processed into refined sugar intended for the world market or the sugar classified as "E" sugar or "A" sugar.

The sugar industry, particularly the planters, sent numerous requests to the Department of Finance (DOF) asking for the immediate suspension of the said regulations, stating that the crop year is already approaching and that, to them, some provisions are still not so clear or not well-explained and thereby causing fear of possible non-compliance.

The purpose of the suspension is to give time to both the Bureau of Internal Revenue (BIR) and the sugar industry to thresh out unclear provisions in RR 6-2007, and to introduce improved version of the Regulations to properly address the problems of the sugar industry and collect the correct taxes due from them.

**Section 1. Suspension** Pursuant to the provisions of Section 244 of the National Internal Revenue Code (NIRC) of 1997, these Regulations are hereby promulgated to suspend, until further notice, the implementation of Revenue Regulations No. 6-2007, entitled "Consolidated Regulations on Advance Value Added Tax on the Sale of Refined

Sugar, Amending and/or Revoking All Revenue Issuances Issued to this Effect, and for Other Related Purposes".

**Section 2. Effectivity.** These Regulations shall take effect after fifteen days following publication in any newspaper of general publication.

(Original Signed)  
**MARGARITO B. TEVES**  
Secretary of Finance

RECOMMENDING APPROVAL:

(Original Signed)  
**LILIAN B. HEFTI**  
OIC- Commissioner of Internal Revenue