

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

January 16, 2006

REVENUE MEMORANDUM ORDER NO. 3-2006

SUBJECT : Creation, Modification and Dropping of Alphanumeric Tax Code (ATC) of Selected Revenue Source under the Tax Forms Enhancement Program

TO : All Collection Agents, Revenue District Officers and Other Internal Revenue Officers Concerned

I. Objective :

To facilitate the proper identification and monitoring of tax payments pursuant to Republic Act No. 9337, as implemented by Revenue Regulation No. 16-2005 dated September 1, 2005, the following ATCs are hereby created, modified and dropped.

II. The following ATCs are hereby created :

KIND OF TAX	ISSUANCE/ LEGAL BASIS/ REASONS	BIR FORM NO.	TAX RATES	ATC
Percentage Tax				
Tax on Banks and Non-Bank Financial Intermediaries Performing Quasi-Banking Functions - On interest, commissions and discounts from lending activities as well as income from financial leasing, on the basis of remaining maturities of instruments from which such receipts are derived: Maturity period is five (5) years or less	RR 16-2005	2551M	5%	PT105

KIND OF TAX	ISSUANCE/ LEGAL BASIS/ REASONS	BIR FORM NO.	TAX RATES	ATC
- On net trading gains within the taxable year on foreign currency debt securities, derivatives and other financial instruments	RR 16-2005	2551M	7%	PT104
<p>Tax on Other Non-Bank Financial Intermediaries not Performing Quasi-Banking Functions</p> <p>- On interest, commissions and discounts from lending activities as well as income from financial leasing, on the basis of remaining maturities of instrument from which such receipts are derived:</p> <p> Maturity period is five (5) years or less 5% PT113</p> <p> Maturity period is more than five (5) years 1% PT114</p> <p>- On all other items treated as gross income 5% PT115</p>	RR 16-2005	2551M		
<p>Tax on Banks and Non-Bank Financial Intermediaries Performing Quasi-Banking Functions:</p> <p>- On net trading gains within the taxable year on foreign currency debt securities, derivatives and other similar financial instruments</p>	RR 16-2005	1600	7%	WB104

KIND OF TAX	ISSUANCE/ LEGAL BASIS/ REASONS	BIR FORM NO.	TAX RATES	ATC
Tax on Other Non-Bank Financial Intermediaries not Performing Quasi-Banking Functions - On interest, commissions and discounts from lending activities as well as income from financial leasing, on the basis of the remaining maturities of instruments from which such receipts are derived: Maturity period is five (5) years or less Maturity period is more than five (5) years - On all other items treated as gross income	RR 16-2005	1600	5% 1% 5%	WB108 WB109 WB110
Person exempt from VAT under Sec. 109v (creditable) Private Withholding Agents	RR 14-2003	1600	3%	WB082
Person exempt from VAT under Sec. 109v (final)	RR 14-2003	1600	3%	WB084
VALUE-ADDED TAX				
Government public works contractors subject to 5%	For Monitoring	1600	5%	WV030

III. The following ATCs are hereby modified :

See Attachments

IV. The following ATCs are hereby dropped :

KIND OF TAX	ISSUANCE/ LEGAL BASIS/ REASONS	BIR FORM NO.	TAX RATES	ATC
Percentage Tax				
Tax on Finance Companies				
- On interest, discounts and other items of gross income paid to finance companies and other financial intermediaries not performing quasi-banking function	RR 16-2005	2551M	5%	PT111
- On interest, commissions and discounts paid from their loan transactions from finance companies as well as financial leasing based on the remaining maturities of the instruments	RR 16-2005	2551M	5%, 3%, 1% & 0%	PT112
Tax on Banks and Non-Bank Financial Intermediaries				
- On interest, commissions and discounts paid to banks and non-bank financial intermediaries arising out of lending activities as well as financial leasing, on basis of the remaining maturities of instrument:	RR 16-2005	1600		
Medium term maturity (over 2 years to 4 years)			3%	WB302
Over 7 years			0%	WB304
Tax on Finance Companies				
- On interest, discounts and other items of gross income paid to finance companies and other financial intermediaries not performing quasi-banking functions	RR 16-2005	1600	5%	WB111

V. Repealing clause :

This Revenue Memorandum Order revises portions of all other issuances inconsistent herewith.

VI. Effectivity :

This Revenue Memorandum Order shall take effect immediately.

(Original Signed)
JOSE MARIO C. BUÑAG
Commissioner of Internal Revenue