



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF INTERNAL REVENUE

2:28 P.M.  
NOV 05 2018  
REC'D BY REC'D BY  
RECORDS MGT. DIVISION

October 31, 2018

REVENUE MEMORANDUM CIRCULAR NO. 92-2018

**SUBJECT :** Clarification on the Filing of Tax Returns of Accredited Microfinance Non-Government Organizations

**TO :** All Accredited Microfinance Non-Government Organizations, Internal Revenue Officials, Employees and Others Concerned.

This Circular is being issued to clarify the forms to be used by the duly registered and accredited Microfinance Non-Government Organizations (MF-NGOs) in filing and payment of the two percent (2%) tax, based on its gross receipts from microfinance operations in lieu of all national taxes.

- A. Accredited MF-NGOs, whose operation is **purely microfinance** that refers only to the lending activities and insurance commission which are bundled and forming an integral part of the qualified lending activities of the MF-NGOs, shall declare the 2% tax on its gross receipts from microfinance operations using the following:

Source of Income	Type of Tax	Tax Rate	Forms	Frequency
Purely microfinance operations	Income Tax	2%	1702Q 1702MX	Quarterly Annually
	Business Tax	Not applicable. The 2% tax on its gross receipts from microfinance operations is in lieu of all national taxes.		

- B. Accredited MF-NGOs with income from **non-microfinance activities** shall file the following:

Source of Income	Type of Tax	Tax Rate	Taxable Base	Forms	Frequency
Purely microfinance operations	Income Tax	2%	Gross Receipts	1702Q 1702MX	Quarterly Annually
All non-microfinance activities or all other income not generated from microfinance operations	Income Tax	30% or 2% MCIT whichever is higher	Taxable income  Gross Income	1702Q 1702MX	Quarterly Annually
	Business Tax <ul style="list-style-type: none"><li>▪ Non-VAT registered<ul style="list-style-type: none"><li>- Percentage Tax</li></ul></li><li>▪ VAT-registered<ul style="list-style-type: none"><li>- VAT</li></ul></li></ul>	3%  12%	Gross sales or receipts  Gross sales or receipts	2551Q  2550M/ 2550Q	Quarterly  Monthly/ Quarterly

NOV 05 2018

Accredited MF-NGOs with income from purely microfinance operations shall use the Alphanumeric Tax Code (ATC)-IC210 in manual filing of income tax returns. In case the accredited MF-NGOs is enrolled in Electronic Filing and Payment System (eFPS) or using eBIRForms facility in filing the required income tax returns, the ATC-IC011 shall be used pending enhancement of the income tax return forms in the eBIRForms/eFPS.

Moreover, accredited MF-NGOs shall register/update the applicable tax/form types above, or cancel, if applicable, the previously registered percentage tax type using BIR Form No. 1905 to the Revenue District Office where they are registered.

#### **Previously Filed Tax Return**

Accredited MF-NGOs who filed and paid the 2% preferential tax rate using BIR Form Nos. 2551M/2551Q for the first (1<sup>st</sup>) to third (3<sup>rd</sup>) quarters of 2018, shall file its quarterly income tax return (BIR Form No. 1702Q) for the 3<sup>rd</sup> quarter of 2018 by declaring the cumulative gross receipts for the 1<sup>st</sup> to 3<sup>rd</sup> quarters of 2018. Such gross receipts shall be reflected under the "Special Rate" column and compute the total 2% tax due thereon. The amount paid using BIR Form Nos. 2551M/2551Q for the 1<sup>st</sup> to 3<sup>rd</sup> quarters of 2018 shall be reflected under tax credits/payments in item no. 31G (Others, please specify) field of BIR Form No. 1702Q.

Accordingly, accredited MF-NGOs with income from non-microfinance activities shall declare the cumulative gross receipts from such activities for the 1<sup>st</sup> to 3<sup>rd</sup> quarters of 2018 in the "Regular Rate" column of BIR Form No. 1702Q and compute the applicable tax due thereon.

This Circular clarifies Section IV of RMO No. 2-2018 relative to Revenue Regulations No. 3-2017 pertaining to the form/s to be used in filing of the 2% preferential tax rate.

All internal revenue officers and employees are hereby enjoined to give this Circular a wide publicity as possible.

  
CAESAR R. DULAY  
Commissioner of Internal Revenue

020692

H-2/mag

