

**REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE**

May 20, 2003

REVENUE MEMORANDUM CIRCULAR NO. 30-2003

SUBJECT : Clarification of Paragraph 1-Q of Revenue Memorandum Circular No. 28-2003

TO : All Internal Revenue Officers and Others Concerned

Revenue Memorandum Circular (RMC) No. 28-2003 clarifying issues on the imposition of Value-Added Tax (VAT) on the services of banks, non-bank financial intermediaries, finance companies and other financial intermediaries not performing quasi-banking functions, provides under paragraph 1-Q thereof that income from sale of services by banks and other financial institutions to BOI-registered export enterprise with 100% export sales and PEZA-registered/Ecozone export enterprise are subject to VAT at 0%.

Relative thereto, this Circular is being issued to clarify that the term “PEZA-registered/Ecozone export enterprise” refers to an enterprise registered either with PEZA or with other Ecozone (i.e., Subic, Clark, John Hay or Poro Point Special Economic Zone) as an **export enterprise**.

Furthermore, zero-rating will only apply to services rendered by financial institutions that are directly related to the registered activity of the export enterprise. As a mode of implementation, the financial institution shall require the export enterprise to show proof that the transactions are in fact directly related to its registered activity and to submit a Sworn Statement attesting to such fact. These records must be kept by the financial institutions and made available for audit by BIR on demand.

All concerned are hereby enjoined to be guided accordingly and give this Circular as wide a publicity as possible.

(Original Signed)
GUILLERMO L. PARAYNO, JR.
Commissioner of Internal Revenue