



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

March 17, 2011

**REVENUE MEMORANDUM CIRCULAR NO. 17-2011**

**SUBJECT :** Proposes the Use of Basic Standard Format in Complying with the Requirements of Revenue Regulations (RR) No. 15-2010 on the Additional Notes to Financial Statements Relative to Taxpayers' Tax Compliance

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

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In various public dialogues conducted for the implementation of RR No. 15-2010, numerous tax practitioners and accounting associations are requesting for a template/standard format that can guide them in complying with the requirements of the said regulations. Some have given their suggestions and inputs on the same.

In view of these appeals, the format below may be used with some adjustments for a better fit to the distinctive character of the industry where concerned taxpayers belong:

RR 15-2010	Propose Notes to the Financial Statements relative to taxpayers' taxes and licenses
Provisions	In compliance with the requirements set forth by RR 15-2010 hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year.
1. The amount of VAT output tax declared during the year and the account title and amount/s upon which the same was based. If there are zero-rated sales-receipts and/or exempt sales/receipts, a statement to that effect and the legal basis therefor;	<p>The company is a VAT-registered company with VAT output tax declaration of P_____ for the year based on the amount reflected in the <u>Sales Account</u> of P_____.</p> <p>The company has zero-rated/exempt sales amounting to P_____ pursuant to the provisions of _____ law/regulations.</p> <p><b>OR</b></p> <p>The company is a non-VAT registered company engaged in the business of _____ and paid the amount of P_____ as percentage tax</p>

	pursuant to _____ law/regulations and based on the amount reflected in the <u>Sales/Gross Income Received Account</u> of P_____.																				
<p>2. The amount of VAT Input taxes claimed broken down into:</p> <p>a. Beginning of the year;</p> <p>b. Current year's domestic purchases/payments for:</p> <p>    I. Goods for resale/ manufacture or further processing</p> <p>    II. Goods other than for resale or manufacture</p> <p>    III. Capital goods subject to amortization</p> <p>    IV. Capital goods not subject to amortization</p> <p>    V. Services lodged under cost of goods sold</p> <p>    VI. Services lodged under other accounts</p> <p>c. Claims for tax credit/refund and other adjustments; and</p> <p>d. Balance at the end of the year</p>	<p>The amount of VAT Input taxes claimed are broken down as follows:</p> <p>Beginning of the year..... p_____</p> <p>Current year's purchases:</p> <p>    I. Goods for resale/manufacture or further processing .... _____</p> <p>    II. Goods other than for resale or manufacture ...._____</p> <p>    III. Capital goods subject to amortization ....._____</p> <p>    IV. Capital goods not subject to amortization ....._____</p> <p>    V. Services lodged under cost of goods sold ....._____</p> <p>    VI. Services lodged under other accounts ...._____</p> <p>c. Claims for tax credit/refund and other adjustments ....._____ (INCLUDE here all kinds of adjustments whether additional sources of inputs or other deductions from available inputs)</p> <p>d. Balance at the end of the year P_____</p>																				
3. The landed cost of imports and the amount of customs duties and tariff fees paid or accrued thereon:	The landed cost of the company's importations amounted to P_____ for the year, with paid/accrued amount of P_____ as customs duties and P_____ as tariff fees.																				
<p>4. The amount of excise tax/es, classified per major product category, i.e., tobacco products, alcohol products, automobiles, minerals, oil and petroleum, etc. paid on-</p> <p>a. Locally produced excisable items; and</p> <p>b. Imported excisable items.</p>	<p>The amount of excise tax/es, classified as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Product Category</th><th colspan="2">Excise Tax/es Paid/Accrued</th></tr> <tr> <th>Locally Produced</th><th>Imported</th></tr> </thead> <tbody> <tr> <td>Tobacco</td><td></td><td></td></tr> <tr> <td>Alcohol</td><td></td><td></td></tr> <tr> <td>Automobiles</td><td></td><td></td></tr> <tr> <td>Oil/Petroleum</td><td></td><td></td></tr> <tr> <td></td><td></td><td></td></tr> </tbody> </table>	Product Category	Excise Tax/es Paid/Accrued		Locally Produced	Imported	Tobacco			Alcohol			Automobiles			Oil/Petroleum					
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5. Documentary stamp tax (DST) on loan instruments, shares of stock and other transactions subject thereto;	<p>The DST paid/accrued on the following transactions are:</p> <table border="1"> <thead> <tr> <th>Transaction</th><th>Amount</th><th>DST thereon</th></tr> </thead> <tbody> <tr> <td>Loan Instruments</td><td>P _____</td><td>P _____</td></tr> <tr> <td>Shares of Stocks</td><td>P _____</td><td>P _____</td></tr> <tr> <td></td><td></td><td></td></tr> </tbody> </table>	Transaction	Amount	DST thereon	Loan Instruments	P _____	P _____	Shares of Stocks	P _____	P _____											
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6. All other taxes, local and national, including real estate taxes, license and permit fees lodged under the Taxes and Licenses account both under the Cost of Sales and	<p>Other Taxes &amp; Licenses:</p> <p>a. <u>Local</u></p> <p>Real Estate Taxes..... P _____</p> <p>Mayor's Permit ..... _____</p> <p>PTR ..... _____</p>																				

Operating Expense accounts;	b. <u>National</u> BIR Annual Registration.. P _____ Percentage Taxes ..... _____
7. The amount of withholding taxes categorized into: i. Tax on compensation and benefits ii. Creditable withholding tax/es iii. Final withholding tax/es	The amount of withholding taxes paid/accrued for the year amounted to: i. Tax on compensation and benefits ...P _____ ii. Creditable withholding tax/es ..... _____ iii. Final withholding tax/es ..... _____
8. Periods covered and amount/s of deficiency tax assessments, whether protested or not;	The company has received a final assessment notice from the Regional Office of _____ covering the taxable year _____ amounting to P _____, inclusive of penalties, for deficiency income/VAT/Percentage/withholding tax, which has been protested/agreed upon. (Management may include here their opinion on the probable outcome of their protest, if protested; or the probable outcome of their application for installment/compromise/abatement, in case of agreed assessment.)
9. Tax cases, and amounts involved, under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR.”	The company has a RATE case under preliminary investigation of the <u>Dept. of Justice (DOJ)</u> involving deficiency income tax for taxable year <u>2008</u> amounting to P_____.

The above format may be modified to make it more appropriate to the business peculiarities of the concerned taxpayer/s.

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

(Original Signed)  
**KIM S. JACINTO-HENARES**  
Commissioner of Internal Revenue