

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

July 30, 2003

REVENUE MEMORANDUM CIRCULAR No. 47-2003

Subject : Publishing Department Order No. 19 – 03, dated July 18, 2003, of the Department of Finance Directing the One-Stop Shop Inter-Agency Tax Credit and Duty Drawback Center (Center) to Conduct a Special Revalidation of All Outstanding TCCs issued Prior to October 1, 2003 in order to Safeguard the Integrity of the Tax Credit System being administered by Said Center.

To : All Revenue Officials and Employees.

For the information and guidance of all concerned, quoted hereunder is the full text of Department Order No. 19 – 03:

“DEPARTMENT ORDER No. 19 – 03
18 July 2003

To safeguard the interest of the government as well as the integrity of the tax credit system against the use of fake, tampered, or recycled Tax Credit Certificates (TCCs), the One-Stop Shop Inter-Agency Tax Credit and Duty Drawback Center (Center) is hereby directed to conduct a special revalidation of all outstanding TCCs issued prior to October 1, 2003 as defined under this Order.

Section 1. Objective. The implementation of the special revalidation is intended to determine the outstanding amount of TCCs, as defined in this Order, that are still floating in the market and to prevent the use of expired, stolen, fake, tampered, or recycled TCC that may still exist in the market.

Section 2. Coverage and Definition of Terms. (A) The special revalidation shall cover the following TCCs:

1. Jointly issued by the Center and the Bureau of Internal Revenue (BIR) under Section 112 of the National Internal Revenue Code: *Refunds or Tax Credits of Input Tax* or TCCs transferred as provided by Revenue Regulations No. 5-2000 using BIR Form Nos. 2310 (Revised: February 2001) and 2320 (Revised: April 1988).
2. Jointly issued by the Center and the Bureau of Customs (BOC) under Section 106(c) of the Tariff and Customs Code of the Philippines using BOC Form No. 179 (revised 1981)

under Section 106 (b) of the Tariff and Customs Code of the Philippines using
BOC Form NO. 179 (Revised 1979)

(B) The following terms are defined as follows:

- a) **Outstanding Tax Credit Certificate(s)** – this consists of all TCCs with creditable/outstanding balances issued under the aforementioned laws, whether originally issued to the original grantee or transferred from the original grantee.
- b) **Special revalidation** – refers to the process of cancellation of outstanding TCCs and the replacement with new form as defined in this order.
- c) **Unutilized TCC forms** – this consists of blank TCC forms which are still in the custody of the Center and unreleased to any claimant.

Section 3. General Procedures on the Special Revalidation

1. The Center, in coordination with the BIR and the BOC, shall cause the production of new TCC forms with additional security features to prevent the unauthorized production and use of fake TCCs. In addition to the information indicated in the existing forms, the new forms shall clearly indicate the legal basis of the issuance, the approving authorities of the BIR and BOC Commissioners and the authority of the Center signatory to release the same to the grantees' official representatives.

The new forms shall be ready for issuance not later than September 30, 2003.

2. The Center, BIR and the BOC shall issue their respective Office Order, Revenue Memorandum Order and Customs Memorandum Order that will provide for the mechanics for the surrender of all outstanding TCCs forms which are in their custody to the Center for revalidation in compliance with the provision of this guideline.

On the other hand, the Center shall surrender all unutilized TCC forms in its custody for the appropriate action of the BIR or the BOC.

3. The Center, BOC and the BIR shall require the holders of outstanding TCCs to surrender the same to the Center for special revalidation starting October 1, 2003 up to March 31, 2004.

Outstanding TCCs not submitted within the revalidation period shall still be allowed for revalidation subject to approval of the Center's Executive Committee.

4. The Center shall accept applications for special revalidation in accordance with the following procedure:

- a. The Center shall check the authenticity of the TCCs to ascertain that there has been no tampering of the forms, that the TCC is validly issued per Center records, and that they are still subsisting and therefore qualifies for the issuance of a new certificate corresponding to the unused balance of each TCC.
- b. The creditable balance of the TCCs subject of revalidation shall be based on certifications from the BIR, BOC, and the records of the Center. In case of differences, reconciliation shall be undertaken by the Center.
- c. The Center shall prepare the revalidated TCC using the new forms equivalent to the validated remaining balance. These revalidated TCCs shall be forwarded for the signature by the authorized signatory at the BIR or the BOC.

The revalidated TCC shall, indicate the date of original issuance, date of revalidation and the TCC maturity date. The maturity date of the TCC shall be the same as that of the original issuance and shall undergo regular revalidation as provided by law.

- d. The revalidated TCCs approved by the BIR/BOC Commissioner shall then be signed by the Center's official signatory to authorize the release of the same to the grantee's official representative according to the prescribed procedures.

Section 4. Transitory Provision. The BIR and the BOC are directed to institute measures to prevent the use of fake, tampered, or recycled TCCs during the revalidation period.

Section 5. Effectivity. This Order shall take effect upon completion of its publication in at least 2 major newspapers of general circulation for a frequency of once a week for three consecutive weeks. This Order shall be given as wide publicity as possible.

(Original Signed)
JOSE ISIDRO N. CAMACHO
Secretary

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

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