



Bringing In Revenues
for Nation-Building

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
National Office Building
Diliman, Quezon City



JUL 02 2025

REVENUE MEMORANDUM CIRCULAR No. 066 - 2025

SUBJECT: Clarification on Certain Issues Pertaining to Compliance with the Documentary Requirements in Availing Value-Added Tax (VAT) Zero-Rating on Local Purchases of Duly-Registered Business Enterprises (RBEs)

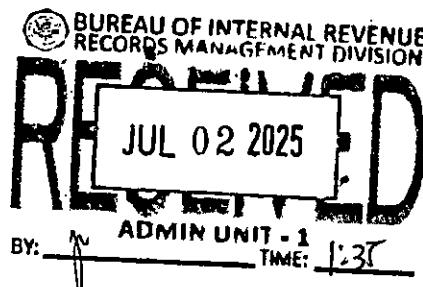
TO: All Internal Revenue Officials, Employees and Others Concerned

I. BACKGROUND

This Circular is issued to provide clarification on whether or not there still a need for the REE-buyer to provide a sworn declaration stating that the goods and/or services are directly and exclusively used for the production of goods and/or completion of services to be exported, among others, to its local supplier for the latter's documentation in case of post-audit by the Bureau of Internal Revenue (BIR), as required under Revenue Memorandum Circular (RMC) No. 80-2023 for the availment of the zero percent (0%) VAT rate on local purchase of goods and services.

Paragraph 2, Section 4.106-5(c) of Revenue Regulations (RR) No. 16-2005, as amended by RR No. 10-2025, states that the "*VAT zero-rating on local purchases of goods shall be availed of on the basis of the VAT zero-rating certification issued by the concerned IPA, without prejudice, however, to the conduct of post audit investigation/verification by the BIR that the goods are indeed directly attributable to the registered project or activity of the qualified RBEs.*"

Similarly, Paragraph 4, Section 4.108-5(b)(8) of the above cited RR states that the "*VAT zero-rating on local purchases of services shall be availed of on the basis of the VAT zero-rating certification issued by the concerned IPA, without prejudice, however, to the conduct of post audit investigation/verification by the BIR that the services are directly attributable to the registered project or activity of the qualified RBEs.*"



II. CLARIFICATION

In light of the issuance of RR No. 10-2025, it is clarified that the submission of a sworn declaration by the RBE-buyer is no longer required to avail of the zero percent (0%) VAT rate. The VAT Zero-Rate Certificate issued by the concerned Investment Promotion Agency (IPA) shall serve as the primary documentary basis for such availment. This is without prejudice to the BIR's authority to conduct post-audit verification to ensure that the purchases are directly attributable to the registered project or activity of the qualified RBE.

III. REPEALING CLAUSE

All revenue issuances and BIR Rulings inconsistent herewith are hereby amended, modified or revoked accordingly.

IV. EFFECTIVITY CLAUSE

This Circular shall take effect from the passage of Republic Act No. 12066, commonly known as the CREATE MORE Act.

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

ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue

by:

Larry M. Barcelo
LARRY M. BARCELO, CESO IV
OIC-Deputy Commissioner
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Officer-in-Charge 35-2025
(per RDAO No. 35-2025)
Date of Signing: JUN 30 2025

I-2/IES

