



# TAX UPDATES

# TAX CLEARANCE

FOR GOVERNMENT CONTRACTS



# TAX CLEARANCE

confirmation that the contractor has no outstanding tax liabilities and that all income and business tax returns have been properly filed with the corresponding taxes paid



# E.O. 398, s. 2005

*“Sec. 1. **All persons**, natural or juridical, local or foreign, **desiring to enter** into or participate in any **contract with the government**, its departments, bureaus, offices and agencies, including state universities and colleges, government-owned and/or controlled corporations, government financial institutions and local government units, shall, **as a pre-condition**, submit, along with their proposal and/or bid, a copy of their latest income and business tax returns duly stamped and received by the Bureau of Internal Revenue, and duly validated with the tax payments made thereon.*

*They shall also **submit a Tax Clearance from the Bureau of Internal Revenue** to prove full and timely payment of taxes.”*



# IRR of R.A. 9184 (Government Procurement Act)

## *“Section 23. Eligibility Requirements for the Procurement of Goods and Infrastructure Projects*

*23.1 For purposes of determining the **eligibility of bidders** using the criteria stated in Section*

*23.4 of this IRR, only the following documents shall be required by the BAC, using the forms prescribed in the Bidding Documents:*

### *a) Class “A” Documents*

#### *Legal Documents*

*i) xx*

*ii) xx*

*iii) **Tax Clearance per E.O. 398, s. 2005**, as finally reviewed and approved by the Bureau of Internal Revenue (BIR).”*



# Tax Clearance for Bidding Purposes (TCBP)

- 1 year validity from the date of issuance, unless revoked
- Prerequisite for Contractors who wishes to participate in bidding Government contracts
- Verifiable through the BIR website



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
**BUREAU OF INTERNAL REVENUE**  
REVENUE REGIONAL OFFICE/LTS, ADDRESS

ANNEX D

TCC NO. RR-RDO-MM-DD-Series-Year

OR

TCC NO. LT-116-MM-DD-Series-Year (for Large TP)

## TAX CLEARANCE CERTIFICATE

(Pursuant to Executive Order No. 398)

### REGISTERED TAXPAYER'S NAME

(TRADENAME, IF ANY)

Name of Taxpayer

REGISTERED ADDRESS

Address

000-000-000-000

Taxpayer Identification Number

This is to certify that the above mentioned taxpayer is eligible for issuance of this Tax Clearance Certificate having satisfied all the criteria set forth by the BIR as of the date of this certification pursuant to Revenue Regulations No. 8-2016, as amended.

Tax liabilities recorded after the aforesaid dates or outside the jurisdiction of this Office are not covered by this tax clearance.

Issued this Xth day of Month Year.

NOTE: THIS CERTIFICATE SHALL BE VALID AND EFFECTIVE FROM DATE OF ISSUE UNTIL EXPIRATION DATE ONLY OR UNTIL REVOKED, WHICHEVER COMES EARLIER. THIS SHALL NOT BE USED ON SALES/TRANSFER OF REAL PROPERTIES. CERTIFICATION FEE OF P100 WAS PAID ON DATE OF PAYMENT UNDER EFPS PAYMENT TRANSACTION NO. \_\_\_\_\_ ANY ERASURE MADE ON THIS TAX CLEARANCE CERTIFICATE SHALL RENDER IT NULL AND VOID.



**NAME OF AUTHORIZED SIGNATORY**  
Chief, Collection Division/Large Taxpayers Division/Large Taxpayers Collection Enforcement Division

Affix Documentary Stamp here

WARNING: Counterfeiting is punishable by law. For authenticity, please visit BIR website [www.bir.gov.ph/index.php/tax-clearance/released-tax-clearance.html](http://www.bir.gov.ph/index.php/tax-clearance/released-tax-clearance.html). Tax Clearance Certificate (for bidding purposes) not listed/posted herein will be deemed to have originated from an illegal source.

# • Verifiable through the BIR website



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

(02)-8538-3200

contact\_us@bir.gov.ph

Search



HOME

ABOUT US ▾

eSERVICES

TAX INFORMATION & REGULATIONS ▾

ANNOUNCEMENTS ▾

OTHERS ▾

CONTACT US

## Streamlined Tax Services for a Hassle-Free Experience

With service excellence as our guiding principle, we strive to achieve our vision of becoming an institution of integrity and excellence. Explore our website to learn more about our services, programs and initiatives.



Republic of the Philippines  
**BUREAU OF INTERNAL REVENUE**



**Tax Reminder**

# • Verifiable through the BIR website



REPUBLIC OF THE PHILIPPINES  
BUREAU OF INTERNAL REVENUE

(02)-8538-3200

contact\_us@bir.gov.ph

Search



HOME

ABOUT US ▾

eSERVICES

TAX INFORMATION & REGULATIONS ▾

**ANNOUNCEMENTS ▾**

OTHERS ▾

CONTACT US

## Streamlined Tax Services for a Hassle-Free Experience

With service excellence as our guiding principle, we strive to achieve our vision of becoming an institution of integrity and excellence. Explore our website to learn more about our services, programs and initiatives.



CLICK HERE TO CHAT WITH REVIE



Republic of the Philippines  
BUREAU OF INTERNAL REVENUE



Tax Reminder



# • Verifiable through the BIR website



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

(02)-8538-3200

contact\_us@bir.gov.ph

Search



HOME

ABOUT US ▾

eSERVICES

TAX INFORMATION & REGULATIONS ▾

ANNOUNCEMENTS ▾

OTHERS ▾

CONTACT US

## Streamlined Tax Services for a Hassle-Free Experience

With service excellence as our guiding principle, we strive to achieve our vision of becoming an institution of integrity and excellence. Explore our website to learn more about our services, programs and initiatives.



eServices Advisories

Final Sugar Production Bulletin

Wage Orders

Tax Clearance

Bank Bulletins

Forfeited Properties

Cannot Be Located Taxpayers

Lost/Missing/Damaged Accountable Forms

Security Alerts

Bid Opportunities

Money Claims Paid

Vacant Positions

Signed Appointments

Republic of the Philippines  
**BUREAU OF INTERNAL REVENUE**

2025

### Tax Reminder

Stay updated with essential tax deadlines and obligations. Easily



# • Verifiable through the BIR website



REPUBLIC OF THE PHILIPPINES  
BUREAU OF INTERNAL REVENUE

(02)-8538-3200

contact\_us@bir.gov.ph

Search



HOME

ABOUT US ▾

eSERVICES

TAX INFORMATION & REGULATIONS ▾

ANNOUNCEMENTS ▾

OTHERS ▾

CONTACT US

## Streamlined Tax Services for a Hassle-Free Experience

With service excellence as our guiding principle, we strive to achieve our vision of becoming an institution of integrity and excellence. Explore our website to learn more about our services, programs and initiatives.



eServices Advisories

Final Sugar Production Bulletin

Wage Orders

**Tax Clearance**

Bank Bulletins

Forfeited Properties

Cannot Be Located Taxpayers

Lost/Missing/Damaged Accountable Forms

Security Alerts

Bid Opportunities

Money Claims Paid

Vacant Positions

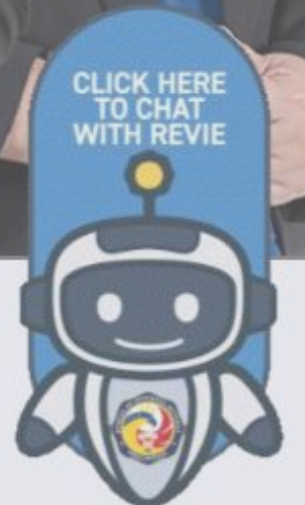
Signed Appointments

Republic of the Philippines  
BUREAU OF INTERNAL REVENUE

2025

### Tax Reminder

Stay updated with essential tax deadlines and obligations. Easily



# • Verifiable through the BIR website



(02)-8538-3200

contact\_us@bir.gov.ph



- HOME
- ABOUT US ▾
- eSERVICES
- TAX INFORMATION & REGULATIONS ▾
- ANNOUNCEMENTS ▾
- OTHERS ▾
- CONTACT US

## Tax Clearance

Issued Tax Clearance Certificates for GOCC, Bidding Purposes and Importer's Clearance Certificates (ICCs)/ Broker's Clearance Certificates (BCCs)

[Application Form for Tax Clearance Certificate](#)



Copyright © Bureau of Internal Revenue.  
All Rights Reserved

Gov.PH

Official Gazette

Department of Finance

Privacy Notice

Contact Us

Accessibility

Site Map

Open Data Philippines

• Data.Gov.PH

• Customs ng Bayan

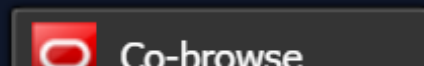
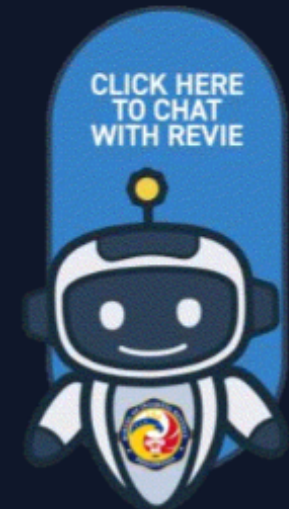
### FOLLOW US



### DEVELOPED BY:



DICT



# • Verifiable through the BIR website



## Tax Clearance

[Issued Tax Clearance Certificates for GOCC, Bidding Purposes and Importer's Clearance Certificates \(ICCs\)/ Broker's Clearance Certificates \(BCCs\)](#)

[Application Form for Tax Clearance Certificate](#)



Copyright © Bureau of Internal Revenue.  
All Rights Reserved

Gov.PH

Official Gazette

Department of Finance

Privacy Notice

Contact Us

Accessibility

Site Map

Open Data Philippines

• Data.Gov.PH

• Customs ng Bayan

FOLLOW US



DEVELOPED BY:



DICT

Department of Information and Communications Technology

CLICK HERE  
TO CHAT  
WITH REVIE



Co-browse

## List of Issued Tax Clearance Certificates

For Governance Commission for Government Owned or Controlled Corporations | For Bidding Purposes | List of Issued Importer's Clearance Certificate (ICC)/Broker's Clearance Certificate (BCC)

For Governance  
Commission for  
Government Owned or  
Controlled Corporations

**For Bidding Purposes**

List of Issued Importer's  
Clearance Certificate  
(ICC)/Broker's Clearance  
Certificate (BCC)

List of Issued Tax  
Clearance Certificate (For  
Final Settlement of  
Government Contracts)

## List of Issued Tax Clearance Certificates

(For Bidding Purposes)

TITLE	FILE
For the period March 1-4, 2025 (BIDDING)	<a href="#">View</a>
For the period February 1-28, 2025 (BIDDING)	<a href="#">View</a>
For the period January 1-31, 2025 (BIDDING)	<a href="#">View</a>
For the period December 1-31, 2024 (BIDDING)	<a href="#">View</a>
For the period November 1-30, 2024 (BIDDING)	<a href="#">View</a>
For the period October 1-31, 2024 (BIDDING)	<a href="#">View</a>
For the period September 1-30, 2024 (BIDDING)	<a href="#">View</a>
For the period August 1-31, 2024 (BIDDING)	<a href="#">View</a>
For the period July 1-31, 2024 (BIDDING)	<a href="#">View</a>
For the period June 1-30, 2024 (BIDDING)	<a href="#">View</a>
For the period May 1-31, 2024 (BIDDING)	<a href="#">View</a>



# E.O. 398, s. 2005

*“Sec. 3. To ensure continuing compliance with tax laws, all government contracts shall include a **stipulation** that the **private contracting party shall pay taxes in full and on time** and that **failure** to do so will entitle the government to **suspend payment** for any goods or services delivered by the private contracting party.*

*All government contracts shall likewise include a stipulation requiring the private contracting party **regularly present**, within the duration of the contract, a **tax clearance** from the Bureau of Internal Revenue as well as copy of its income and business tax returns duly stamped and received by the Bureau of Internal Revenue and duly validated with the tax payments made thereon.”*



# ***Revenue Regulation 17-2024***

- ***Updated Tax Clearance shall be presented prior to the final settlement of the contract. (Sec. 2)***
- ***Failure to do so entitles the government to suspend the final settlement of the contract. (Sec. 2)***
- ***Amount of final settlement, including the retention money required shall be subject to tax lien to satisfy the outstanding tax liabilities. (Sec 3.)***



# *Revenue Memorandum Order 2-2025*

- *Prescribes the Policies, Guidelines and Procedures and Issuance of **Tax Clearance Certificate for Final Settlement of Government Contracts (TCFG)***





# Tax Clearance for Final Settlement of Government Contracts (TCFG)

- 1 year validity from the date of issuance, unless revoked
- Must be presented prior to the Final Settlement of Government Contracts
- Per contract basis
- Verifiable through the BIR website



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
**BUREAU OF INTERNAL REVENUE**  
REVENUE REGIONAL OFFICE/LT OFFICE

TCFG NO. RR-RDO-MM-DD-Series-Year

## TAX CLEARANCE CERTIFICATE (For Final Settlement of Government Contracts)

### REGISTERED TAXPAYER'S NAME

(TRADENAME, IF ANY)  
Name of Taxpayer

REGISTERED ADDRESS  
Address

000-000-000-000

Taxpayer Identification Number

This is to certify that the above mentioned taxpayer is eligible for issuance of this Tax Clearance Certificate having satisfied all the criteria set forth by the BIR on timely and complete payment of taxes as of the date of this certification.

This certificate is issued as a requisite before the release of the final payment by the contracting government agency pursuant to Revenue Regulations No. 17-2024 under project details as follows:

PROJECT DETAILS	PARTICULARS
Project ID Number	
Project Name <i>(please specify the phase, lot, area number, etc.)</i>	
Total Contract Price	
Collectible Final Payment	

Tax liabilities recorded after the aforesaid dates or outside the jurisdiction of this Office are not covered by this tax clearance.

Issued this Xth day of Month Year.

NOTE: THIS CERTIFICATE SHALL BE VALID AND EFFECTIVE FOR ONE (1) YEAR FROM DATE OF ISSUE UNTIL EXPIRATION DATE ONLY OR UNTIL REVOKED FOR VIOLATION OF THE CRITERIA SET FORTH BY THE BIR. THIS SHALL NOT BE USED ON SALES/TRANSFER OF REAL PROPERTIES. CERTIFICATION FEE OF P100 WAS PAID ON DATE OF PAYMENT UNDER PAYMENT TRANSACTION NO. \_\_\_\_\_. ANY ERASURE MADE ON THIS TCFG SHALL RENDER IT NULL AND VOID.



**NAME OF AUTHORIZED SIGNATORY**  
Chief, Collection Division/ARMD/LTCED/  
LT-CEBU/DAVAO

Affix  
Documentary  
Stamp here

WARNING: Counterfeiting is punishable by law. For authenticity, please visit BIR website <https://www.bir.gov.ph/Tax-Clearance-List-Issued-TCC>. Tax Clearance Certificate (for Final Settlement of Government Contracts) not listed/posted herein will be deemed to have originated from an illegal source.



- *Per contract basis*

Address  
**000-000-000-000**

Taxpayer Identification Number

This is to certify that the above mentioned taxpayer is eligible for issuance of this Tax Clearance Certificate having satisfied all the criteria set forth by the BIR on timely and complete payment of taxes as of the date of this certification.

This certificate is issued as a requisite before the release of the final payment by the contracting government agency pursuant to Revenue Regulations No. 17-2024 under project details as follows:

PROJECT DETAILS	PARTICULARS
Project ID Number	
Project Name (please specify the phase, lot, area number, etc.)	
Total Contract Price	
Collectible Final Payment	

Tax liabilities recorded after the aforesaid dates or outside the jurisdiction of this Office are not covered by this tax clearance.

Issued this Xth day of Month Year.

NOTE: THIS CERTIFICATE SHALL BE VALID AND EFFECTIVE FOR ONE (1) YEAR FROM DATE OF ISSUE UNTIL EXPIRATION DATE ONLY OR UNTIL REVOKED FOR VIOLATION OF THE CRITERIA SET FORTH BY THE BIR. THIS SHALL NOT BE USED ON SALES/TRANSFER OF REAL PROPERTIES. CERTIFICATION FEE OF P100 WAS PAID ON DATE OF PAYMENT UNDER PAYMENT TRANSACTION NO. \_\_\_\_\_ . ANY ERASURE MADE ON THIS TCFG SHALL RENDER IT NULL AND VOID.



**NAME OF AUTHORIZED SIGNATORY**  
 Chief, Collection Division/ARMD/LTCED/  
 LT-CEBU/DAVAO

Affix  
 Documentary  
 Stamp here



- **Verifiable through the BIR website**

## List of Issued Tax Clearance Certificates

For Governance Commission for Government Owned or Controlled Corporations | For Bidding Purposes | List of Issued Importer's Clearance Certificate (ICC)/Broker's Clearance Certificate (BCC)

For Governance  
Commission for  
Government Owned or  
Controlled Corporations

For Bidding Purposes

List of Issued Importer's  
Clearance Certificate  
(ICC)/Broker's Clearance  
Certificate (BCC)

List of Issued Tax  
Clearance Certificate (For  
Final Settlement of  
Government Contracts)

## List of Issued Tax Clearance Certificate

(For Final Settlement of Government Contracts)

TITLE	FILE
For the period March 1-4, 2025 (TCFG)	<a href="#">View</a>
For the period February 1-28, 2025 (TCFG)	<a href="#">View</a>
For the period January 1-31, 2025 (TCFG)	<a href="#">View</a>



# • **RMC 020-2025**

***“Clarification of Certain Policies, Guidelines and Procedures Relative to the Processing and Issuance of Tax Clearance Certificate for Final Settlement of Government Contracts (TCFG)”***

- ***The TCFG shall be required and issued only for government contracts which involves the procurement of goods, consulting services, and infrastructure projects done through bidding process pursuant to RA No. 9184.***
- ***Procurement involving small value purchases are not required to secure TCFG.***



# • **RMC 020-2025**

- *The TCFG shall be presented only prior to the final settlement of the government contracts with its suppliers on a per contract basis to ensure complete and timely payment and remittance of taxes.*
- *On installment payments, **no** TCFG shall be required during the **initial and partial payments** of the contract. It shall only be secured on or before the last/final settlement of the contract.*
- *In compliance with RA No. 11032, a Tax Clearance for General Purposes (TCGP) specifically for **collection purposes** shall no longer be required.*



# TCBP

# TCFG



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
**BUREAU OF INTERNAL REVENUE**  
REVENUE REGIONAL OFFICE/LTS, ADDRESS

ANNEX D

TCC NO. RR-RDO-MM-DD-Series-Year

OR

TCC NO. LT-116-MM-DD-Series-Year (for Large TP)

## TAX CLEARANCE CERTIFICATE

(Pursuant to Executive Order No. 398)

### REGISTERED TAXPAYER'S NAME

(TRADENAME, IF ANY)

Name of Taxpayer

REGISTERED ADDRESS

Address

000-000-000-000

Taxpayer Identification Number

This is to certify that the above mentioned taxpayer is eligible for issuance of this Tax Clearance Certificate having satisfied all the criteria set forth by the BIR as of the date of this certification pursuant to Revenue Regulations No. 8-2016, as amended.

Tax liabilities recorded after the aforesaid dates or outside the jurisdiction of this Office are not covered by this tax clearance.

Issued this Xth day of Month Year.

NOTE: THIS CERTIFICATE SHALL BE VALID AND EFFECTIVE FROM DATE OF ISSUE UNTIL EXPIRATION DATE ONLY OR UNTIL REVOKED, WHICHEVER COMES EARLIER. THIS SHALL NOT BE USED ON SALES/TRANSFER OF REAL PROPERTIES. CERTIFICATION FEE OF P100 WAS PAID ON DATE OF PAYMENT UNDER EPPS PAYMENT TRANSACTION NO. \_\_\_\_\_. ANY ERASURE MADE ON THIS TAX CLEARANCE CERTIFICATE SHALL RENDER IT NULL AND VOID.



**NAME OF AUTHORIZED SIGNATORY**  
Chief, Collection Division/Large Taxpayers Division/Large  
Taxpayers Collection Enforcement Division

Affix  
Documentary  
Stamp here

WARNING: Counterfeiting is punishable by law. For authenticity, please visit BIR website [www.bir.gov.ph/index.php/tax-clearance/released-tax-clearance.html](http://www.bir.gov.ph/index.php/tax-clearance/released-tax-clearance.html). Tax Clearance Certificate (for bidding purposes) not listed/posted herein will be deemed to have originated from an illegal source.



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
**BUREAU OF INTERNAL REVENUE**  
REVENUE REGIONAL OFFICE/LT OFFICE

ANNEX "A"

TCFG NO. RR-RDO-MM-DD-Series-Year

## TAX CLEARANCE CERTIFICATE (For Final Settlement of Government Contracts)

### REGISTERED TAXPAYER'S NAME

(TRADENAME, IF ANY)

Name of Taxpayer

REGISTERED ADDRESS

Address

000-000-000-000

Taxpayer Identification Number

This is to certify that the above mentioned taxpayer is eligible for issuance of this Tax Clearance Certificate having satisfied all the criteria set forth by the BIR on timely and complete payment of taxes as of the date of this certification.

This certificate is issued as a requisite before the release of the final payment by the contracting government agency pursuant to Revenue Regulations No. 17-2024 under project details as follows:

PROJECT DETAILS	PARTICULARS
Project ID Number	
Project Name (please specify the phase, lot, area number, etc.)	
Total Contract Price	
Collectible Final Payment	

Tax liabilities recorded after the aforesaid dates or outside the jurisdiction of this Office are not covered by this tax clearance.

Issued this Xth day of Month Year.

NOTE: THIS CERTIFICATE SHALL BE VALID AND EFFECTIVE FOR ONE (1) YEAR FROM DATE OF ISSUE UNTIL EXPIRATION DATE ONLY OR UNTIL REVOKED FOR VIOLATION OF THE CRITERIA SET FORTH BY THE BIR. THIS SHALL NOT BE USED ON SALES/TRANSFER OF REAL PROPERTIES. CERTIFICATION FEE OF P100 WAS PAID ON DATE OF PAYMENT UNDER PAYMENT TRANSACTION NO. \_\_\_\_\_. ANY ERASURE MADE ON THIS TCFG SHALL RENDER IT NULL AND VOID.



**NAME OF AUTHORIZED SIGNATORY**  
Chief, Collection Division/ARMD/LTCED/  
LT-CEBU/DAVAO

Affix  
Documentary  
Stamp here

WARNING: Counterfeiting is punishable by law. For authenticity, please visit BIR website <https://www.bir.gov.ph/Tax-Clearance-List-Issued-TCC>. Tax Clearance Certificate (for Final Settlement of Government Contracts) not listed/posted herein will be deemed to have originated from an illegal source.



## ***Tax Clearance for Bidding Purposes (TCBP)***

- ***1 year validity from the date of issuance, unless revoked***
- ***Prerequisite for Contractors who wishes to participate in bidding Government contracts***
- ***Verifiable through the BIR website***

## ***Tax Clearance for Final Settlement of Government Contracts (TCFG)***

- ***1 year validity from the date of issuance, unless revoked***
- ***Must be presented prior to the Final Settlement of Government Contracts***
- ***Per contract basis***
- ***Verifiable through the BIR website***

# ***Sources/Revenue Issuances:***

- ***Executive Order 398, s.2005***
- ***R.A. 9184***
- ***RR 17-2024, RR 8-2016, RR 1-2016, RR 3-2005***
- ***RMO 2-2025, RMO 46-2018, RMO 18-2018, RMC 20-2025***







Republic Act. No. 12023 as implemented by  
Revenue Regulation No. 3-2025

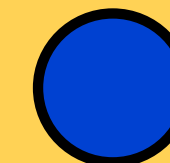


# VALUE-ADDED TAX ON DIGITAL SERVICES LAW

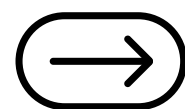




Subject



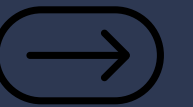
# Revenue Regulation No. 003-2025



Prescribing Policies and Guidelines for the Implementation of Republic Act No. 12023 entitled "An Act Amending Sections 105, 108, 109, 110, 113, 114, 115, 128, 236 and 288 and Adding New Sections 108-A and 108-B of the National Internal Revenue Code of 1997, as Amended," Imposing the Value-Added Tax on Digital Services.



**Digital Service Provider (DPS)** refers to a resident or nonresident supplier of Digital Services to a buyer who uses Digital Services subject to VAT in the Philippines.



# Covered Transactions



1.

## DIGITAL SERVICES

Any service that is supplied over the internet or other electronic network with the use of information technology and where the supply of the service is essentially automated.

2.

## DIGITAL GOODS

refers to intangible goods that are delivered or transferred in digital form, including sounds, images, data, facts or combinations thereof.





# Digital Services

**Online search engine**

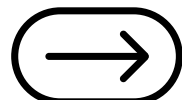
**Online marketplaces or e-marketplaces**

**Cloud services**

**Online media and advertising**

**Online platforms**

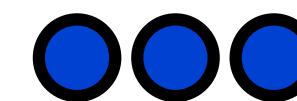
**Digital Goods**



# Exclusions



What are excluded from the coverage?



- 1. Educational services, including online courses, online seminars and online trainings rendered by private educational institutions, duly accredited by the Department of Education (DepEd), the Commission on Higher Education (CHED), the Technical Education and Skills Development Authority (TESDA), and those rendered by government educational institutions;**
- 2. Sale of online subscription-based services to DepEd, CHED, TESDA and educational institutions recognized by said government agencies; and**
- 3. Services of bank, non-bank financial intermediaries performing quasi-banking functions, and other non-bank intermediaries that are rendered through different digital platforms. This includes Virtual Asset Service Providers (VASPs) registered and classified by BSP as Non-Bank Financial Institutions.**



# TAX TREATMENT



**12% VAT shall be imposed on the gross sales derived by DSP from the supply or delivery of digital services consumed in the Philippines.**

In case the transaction is in foreign currency, DSPs shall convert the amounts into Philippine Pesos using the daily or monthly spot rate based on the Banker's Association of the Philippines (BAP) published rates. If this is impractical, other available resources such as BSP, Bloomberg, and Reuters exchange rates may be used. Provided the chosen basis of conversion must be consistently applied for at least one taxable year.

If rates other than those published by BAPs are used, DSP must provide a justification in the VDS Portal. Additionally, DSPs must specify the source of the exchange rates for BIR verification.

## Evidence to Establish Location

- A. Payment information (e.g., credit card information, bank account details); or
- B. Residence information of the buyer (e.g., home address, billing address);
- C. Access information (e.g., mobile country code of SIM card, Internet Protocol address); or
- D. Any other information to establish the most reliable determination of buyer's location (e.g., business agreement, predominant place of consumption, language of digital content supplied).



# Registration Requirements for DSPs

A. **Resident DSPs** shall register with the BIR following the policies and procedures under Section 236 of the Tax Code and other existing relevant laws, rules and regulations.

B. **Nonresident DSPs** shall register with the BIR within the period prescribed under Section 236 of the Tax Code through the VAT on Digital Services (VDS) Portal and submit the prescribed information therein.







# Registration Requirements for DSPs

In registering with the BIR, a nonresident DSP need not have a local representative in the Philippines. However, it may appoint a resident third-party service provider (an individual or entity, such as a law firm, accounting firm, or consultancy firm) for purposes of receiving notices, record keeping, filing of tax returns and other reporting obligations. In this case, the nonresident DSP shall notify the BIR in writing of the same within thirty (30) calendar days from date of appointment. For VAT purposes, the appointment of a third-party service provider shall not classify the nonresident DSP as a nonresident foreign corporation doing business in the Philippines.



# Requirements on Filing, Payment and Remittance



(A) Resident VAT-registered DSP whether or not its buyer is engaged in business shall file the VAT return and pay the VAT due thereon following the policies and procedures under Title III of the Tax Code and other existing relevant laws, rules and regulations.

However, if the resident VAT-registered DSP is classified as an e-marketplace with nonresident participating merchant or seller, it shall also be liable for: (i) electronically filing the required remittance return; and (ii) withholding and remitting the twelve percent (12%) VAT due on the gross sales received by its nonresident participating merchant or seller relating to sale of digital services consumed or used in the Philippines within ten (10) days following the end of the month the withholding was made in accordance with Sections 108 (A) and 114 (C) of the Tax Code.



(B) Nonresident VAT-registered DSP

(1) **B2B transaction:** in a B2B transaction, the persons engaged in business, including the Government of the Philippines or any of its political subdivisions, instrumentalities or agencies, including GOCCs, shall be liable for: (i) electronically filing the required remittance return; and (ii) withholding and remitting the twelve percent (12%) VAT due on its purchase of digital services consumed or used in the Philippines within ten (10) days following the end of the month the withholding was made in accordance with Sections 108 (B), 114 (C) and (D), and 245 (j) of the Tax Code. The withheld VAT shall be considered as input VAT or part of the cost or expense, as the case may be, on the part of the withholding buyer.



(2) **B2C transaction:** in a B2C transaction, the nonresident VAT-registered DSP shall be directly liable for: (i) electronically filing the VAT return; and (ii) paying the VAT due thereon through simplified pay-only regime in the VDS Portal based on its gross sales relating to the sale of digital services consumed or used in the Philippines within twenty-five (25) days following the close of each taxable quarter, in accordance with Sections 108-B and 114 (A) of the Tax Code.



(C) Unregistered Nonresident DSP

In a B2B transaction, such persons engaged in business, including the Government of the Philippines or any of its political subdivisions, instrumentalities or agencies, including GOCCs, shall be liable for: (i) electronically filing the required remittance return; and (ii) withholding and remitting the twelve percent (12%) VAT due on its purchase of digital services consumed in the Philippines to the BIR within ten (10) days following the end of the month the withholding was made in accordance with Section 114 (C) of the Tax Code and Section 4.114 of Revenue Regulations (RR) No. 2-98, as amended.



# Issuance of Invoice

(A) Resident VAT-registered DSPs – required to issue invoice for every sale, barter, or exchange of digital services under Section 113 of the Tax Code.

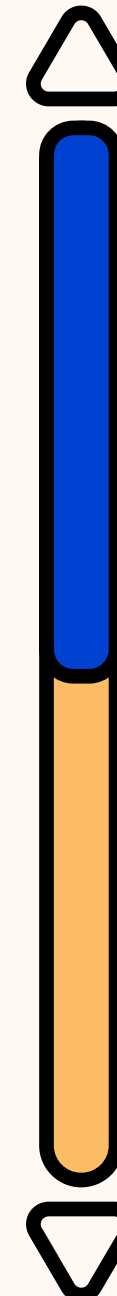
(B) Nonresident VAT-registered DSPs – may be electronic and need not be registered with the BIR: Provided, however, that the contents are in the English language or include an English translation and all the required information above are present in the issued invoices. Consequently, nonresident VAT-registered DSPs are not required to secure an Authority to Print for the related invoices.





# **Penalty on Non-Compliance**

**Failure of DSPs to comply shall prompt the Commissioner of Internal Revenue or his duly authorized representative to issue an order to close the business operations, block the DSPs' digital services in the Philippines, and sanction administrative or criminal liabilities under the Run After Tax Evaders (RATE) Program**





# Transitory Provisions

**All nonresident DSPs required to register under Section 5 of these regulations shall register or update with the BIR within sixty (60) days from the effectivity of these Regulations through the VDS Portal and shall immediately be subjected to VAT after 120 days from the effectivity if these Regulations.**

## Repealing Clause

**Any rules and regulations, issuances or parts thereof inconsistent with the provisions of these Regulations are hereby repealed, amended or modified accordingly.**



A stylized graphic of a web browser window with a blue header and a yellow footer. The main content area is white and contains text about a separability clause and effectivity. The browser interface includes navigation arrows, a search bar, and a scrollbar on the right side.

**Separability Clause**

**If any of the provisions of these Regulations is subsequently declared unconstitutional, the validity of the remaining provisions hereof shall remain in full force and effect.**

**Effectivity**

**This issuance shall take effect fifteen (15) days following its publication in the Official Gazette or the BIR's official website, whichever comes earlier.**

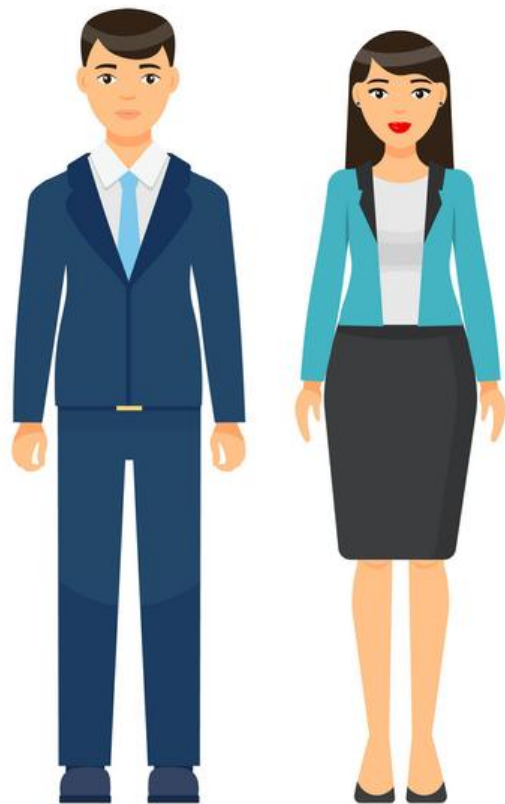
# Updates on Uniform/Clothing Allowance (U/CA)

*Revenue Regulations No. 004-2025*



# ***Revenue Regulations No. 004-2025***

---

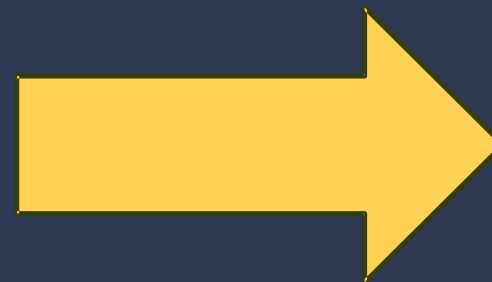


Further amending the “De Minimis” Benefits Provisions of Revenue Regulations No. 2-98, as Amended, Increasing the Clothing Allowance Pursuant to Republic Act No. 11975, the Fiscal Year 2024 General Appropriations Act, and Employees Achievement Awards

# 1. Uniform and clothing allowance

Revenue regulations 2-98

- P 6,000.00



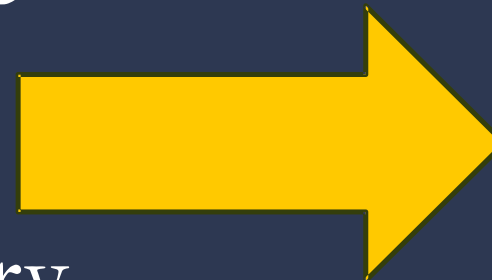
Revenue regulations 4-2025

- P 7,000.00

## 2. Employees achievement awards

### Revenue regulations 2-98

- Employees achievement awards, e.g., for length of service or safety achievement, which must be in the form of a tangible personal property other than cash or gift certificate, with an annual monetary value not exceeding P10,000 received by the employee under an established written plan which does not discriminate in favor of highly paid employees



### Revenue regulations 4-2025

- Employees achievement awards, e.g., for length of service or safety achievement, in any form, whether in cash, gift certificate or any tangible personal property, with an annual monetary value not exceeding P10,000 received by the employee under an established written plan which does not discriminate in favor of highly paid employees

# APPLICATION FOR TAX EXEMPTION CERTIFICATE

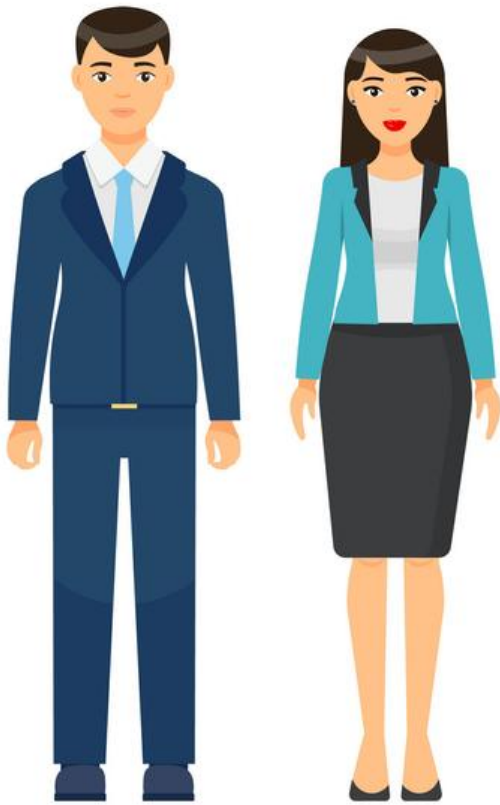


*NIRC Section 30*

# Who are qualified to avail the Certificate of Tax Exemption

---

*NIRC Section 30*



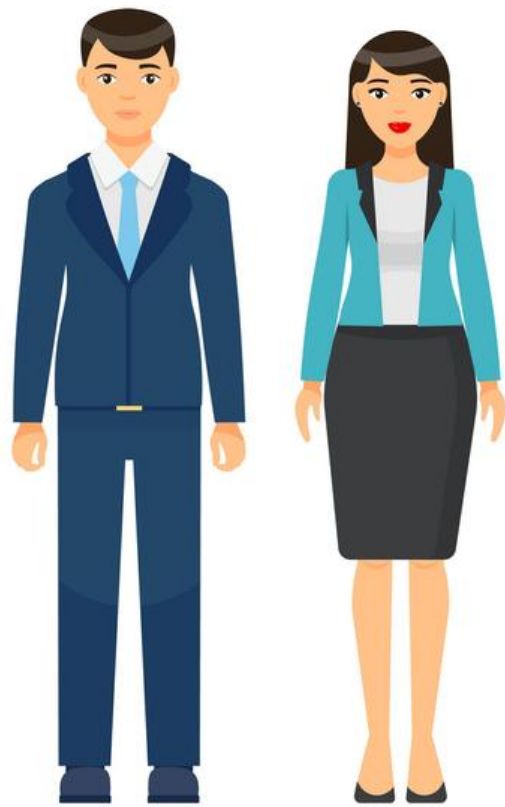
*The following organizations shall not be taxed under this Title in respect to income received by them as such:*

- 1) labor, agriculture or horticultural organizations not organized principally for profit;
- (2) mutual savings banks not having capital stock represented by shares, and cooperative banks without capital stock organized and operated for mutual purposes and without profit;
- (3) beneficiary society orders or associations, operating for the exclusive benefit of the members;
- (4) cemetery company, owned and operated exclusively for the benefit of its members;

# ***Who are qualified to avail the Certificate of Tax Exemption***

---

***NIRC Section 30***



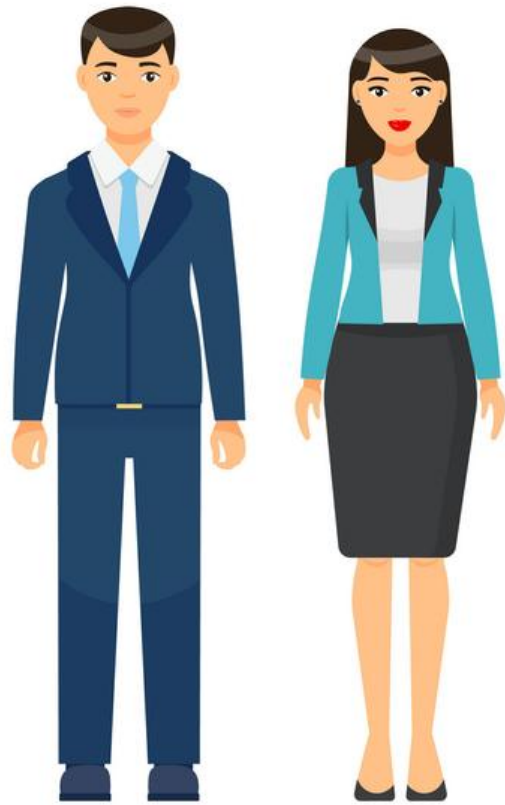
- **(5) non-stock corporations or associations operated exclusively for religious, charitable, scientific, athletic, or cultural purposes, or for the rehabilitation of veterans;**
- **(6) business leagues, chambers of commerce, boards of trade not organized for profit;**
- **(7) civic leagues or those organized exclusively for the promotion of social welfare;**
- **(8) non-stock and nonprofit educational institutions; (RMO 44-2016)**
- **(9) government educational institutions;**



# *Who are qualified to avail the Certificate of Tax Exemption*

---

*NIRC Section 30*

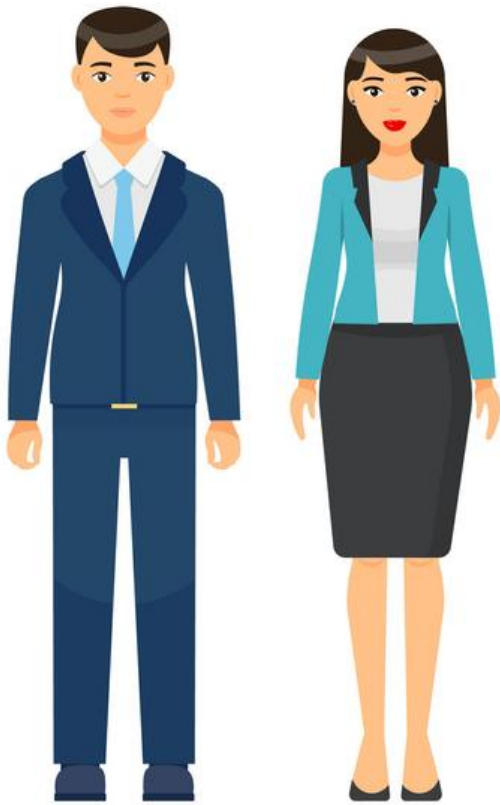


- **(10)** farmers' or other mutual typhoon or fire insurance companies, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations of a purely local character;
- **(11)** as well as farmers', fruit growers' associations operated as a sales agent for the purpose of marketing the products of its members.

# ***Who are qualified to avail the Certificate of Tax Exemption***

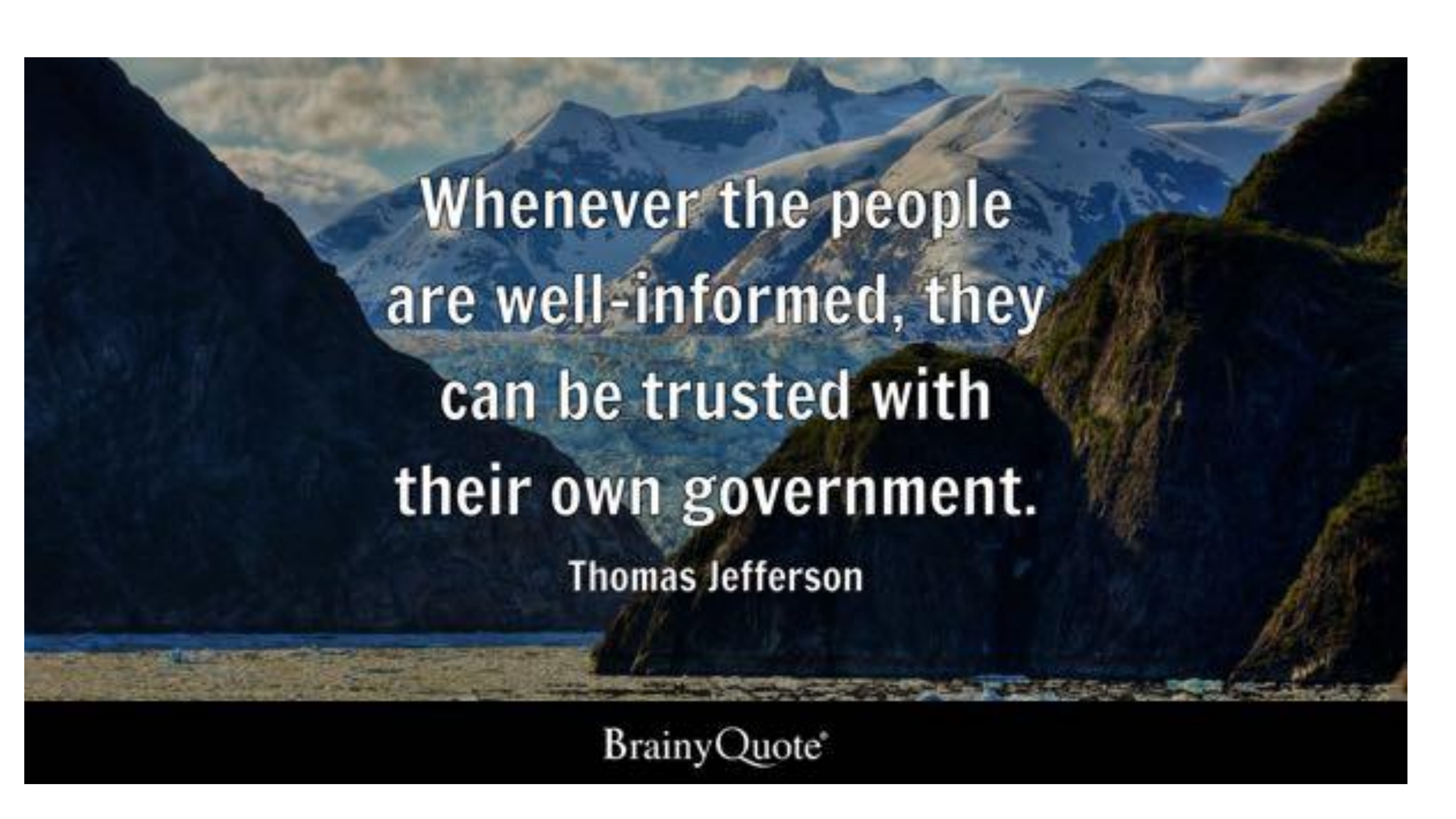
---

***NIRC Section 30***



***For COOPERATIVES:***

- 1. Cooperatives registered in the Cooperative Development Authority (CDA) which transact business with members only.**
- 2. CDA-registered cooperatives which transact business with members and non-members, with accumulated reserves and undivided net savings of not more than PHP 10 million.**



Whenever the people  
are well-informed, they  
can be trusted with  
their own government.

Thomas Jefferson

BrainyQuote®

**Thank you**