

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

May 19, 2003

REVENUE MEMORANDUM CIRCULAR NO. 29-2003

SUBJECT : Guidelines Relating to the Filing of the Monthly Value-added Tax (VAT) Return by Banks, Non-bank Financial Intermediaries, Finance Companies, and Other Financial Intermediaries not Performing Quasi-banking Function for the month of April, 2003, pursuant to Revenue Regulations No. 12-2003.

TO : All Internal Revenue Officers and Others Concerned

In view of the need to spell out and clarify certain issues and procedures on the remittance of Value-added Tax (VAT) on income on government securities, and pursuant to Section 204 of the Tax Code of 1997, this Circular is being issued to provide guidelines for the filing of the Monthly VAT Return for the month of April 2003 by banks, non-bank financial intermediaries, finance companies, and other financial intermediaries not performing quasi-banking functions (financial institutions), as follows:

1. Financial institutions will be allowed to file a tentative VAT Return for the month of April;
2. Financial institutions will be allowed to file manually the tentative VAT return for the month of April until May 20, 2003 except those enrolled in the Electronic Filing and Payment System (EFPS) of the Bureau of Internal Revenue where the deadline for the payment of the VAT is May 26, 2003 (May 25, 2003 is a Sunday). The VAT withheld by legitimate withholding agents, including the Bureau of Treasury (BTR), shall be reflected/reported in the VAT Declaration/Return under the line/field "Creditable Value-added Tax Withheld";
3. The VAT rate on all bank income including interest income shall be 10%;
4. The income on government securities shall be subject to a VAT rate of 10% the remittance of which shall be done by both the BTR and the taxpayer-financial institution. The VAT withheld by the BTR and the remaining VAT payable by the Financial Institution shall be remitted to the Bureau of Internal Revenue (BIR) following existing rules on remittance of tax liabilities;
5. The banks will be allowed to amend the monthly VAT return covering April 2003 transactions until June 30, 2003, without penalty.

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

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