



# BUREAU OF CUSTOMS

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September 22, 2021

CUSTOMS MEMORANDUM CIRCULAR

NO. 197-2021

To: All Deputy Commissioners  
All Service Directors  
All District/Port Collectors  
All Others Concerned

**SUBJECT: REPUBLIC ACT (RA) NO. 11506 AND BUREAU OF INTERNAL REVENUE (BIR) RULING NO. OT-324-2021**

This is with reference to the letter dated August 31, 2021 from San Miguel Aerocity Inc. (SMAI) bearing on its request for proper notice and circularization to all ports of RA No. 11506 otherwise known as "An act granting SMAI a franchise to construct, develop, establish, operate and maintain a Domestic and International Airport in the municipality of Bulakan, Province of Bulacan and to construct, develop, establish, operate and maintain an adjacent airport city" together with the BIR Ruling No. OT-324-2021 for the orderly processing of SMAI importations and the implementation of the tax exemptions granted thereunder.

Section 16 of RA No. 11506, provides that:

"During the ten-year construction period, the grantee, its successors or assignees, shall be exempt from any and all direct and indirect taxes and fees of any kind, nature or description, which emanate exclusively from the construction, development, establishment, and operation of the airport and Airport City, including income taxes, value-added taxes, percentage taxes, excise taxes, documentary stamp taxes, customs duties and tariffs, taxes on real estate, buildings and personal property, business taxes, franchise taxes, supervision fees, and permit fees levied, established or collected, or may be levied, established or collected, by any city, municipal, provincial or national authority."

On August 26, 2021, the BIR issued Ruling No. OT-34-2021 confirming and implementing the tax exemptions granted under RA No. 11506 in favor of SMAI, its successors and assignees.

For information and guidance.

For record purposes, please confirm the dissemination of this Circular throughout your Offices within fifteen (15) days from receipt thereof.

*[Signature]*  
**REY LEONARDO B. GUERRERO**  
Commissioner *jb*



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