



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

June 04, 2018

CUSTOMS MEMORANDUM CIRCULAR
NO. 107 - 2018

To: All Deputy Commissioners
All Directors and Division Chiefs
All District/Port Collectors
And Others Concerned

Subject: DOF-DTI Joint Administrative Order No. 1-2018

Attached is a copy of the Department of Finance (DOF) and Department of Trade and Industry (DTI) Joint Administrative Order No. 1-2018 entitled: AMENDING RULE III SECTIONS 2, 3 AND 4 OF THE JOINT ADMINISTRATIVE ORDER NO. 1-2016 IMPLEMENTING REPUBLIC ACT (RA) NO. 10708¹."

SECTION 3 thereof, reads;

*"The BOC shall, on or before **AUGUST 15** of every year, submit to the DOF, notwithstanding any law to the contrary, the VAT and duty incentive availed by RBES² as reflected in their filed import entries."*

For your information and guidance.

For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt hereof.



Bureau of Customs
ISIDRO S. LAPEÑA
Commissioner
18-09015
ISIDRO S LAPEÑA, PhD, CSEE
Commissioner
JUN 05 2018

¹ RA 10708 AN ACT ENHANCING TRANSPARENCY IN THE MANAGEMENT AND ACCOUNTING OF TAX INCENTIVES ADMINISTERED BY INVESTMENT PROMOTION AGENCIES

² REGISTERED BUSINESS ENTITIES

CMC 107-2018 P.2



Republic of the Philippines
DEPARTMENT OF FINANCE

Roxas Boulevard Corner Pablo Ocampo, Sr. Street
Manila 1004

Master Copy
MASTER COPY

285 - 597

pony

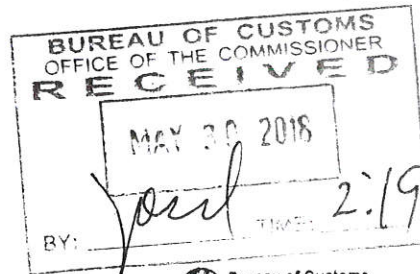
053118

112

29 May 2018

COMMISSIONER ISIDRO LAPEÑA

Bureau of Customs
Port Area, Manila



Dear **Commissioner Lapeña**:

May we respectfully furnish you a certified true copy of the DOF-DTI Joint Administrative Order No. 01-2018 entitled, "Amending Rule III Sections 2, 3, and 4 of the Joint Administrative Order No. 1-2016 Implementing Republic Act No. 10708." Please take note of the revisions in submission dates as follows:

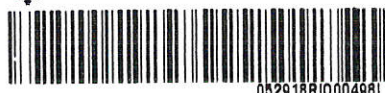
Tax incentives report (starting 2017)	
BOC to DOF	August 15, 2018
DOF estimates on the amount of tax incentives	December 15, 2018

Thank you.

Very truly yours,

Juvy C. Danofrata
JUVY C. DANOFRATA
Director IV
Domestic Finance Group

 **DEPARTMENT OF FINANCE**
Republic of the Philippines



cmc 107-2018 P.3



REPUBLIC OF THE PHILIPPINES
Department of Finance
Department of Trade and Industry



JOINT ADMINISTRATIVE ORDER NO. 1.2018

AMENDING RULE III SECTIONS 2, 3 AND 4 OF THE JOINT ADMINISTRATIVE ORDER NO. 1-2016 IMPLEMENTING REPUBLIC ACT (RA) NO. 10708

Pursuant to Rule VIII of the Rules and Regulations to implement RA No. 10708, Rule III Sections 2, 3 and 4 of the aforementioned JAO are hereby amended to read as follows:

RULE III

INCENTIVES MONITORING MECHANISM

XXX

SECTION 2. Role of the Bureau of Internal Revenue. – The BIR shall:

- a. On or before **AUGUST** 15 of every year, submit to the Department of Finance (DOF), notwithstanding any law to the contrary, the tax incentives of RBEs as reflected in their filed annual **OR QUARTERLY** tax returns: Provided, That, pursuant to Section 270 of the NIRC, as amended, such submission of BIR to the DOF shall not contain specific names of the RBEs or other identifiers.
- b. Within ninety (90) days after the lapse of the said period to assess provided under the NIRC, as amended, update the foregoing report with income-based tax incentives, deductions, credits or exclusions from the gross income, **VAT AND OTHER TAX INCENTIVES** as assessed under the NIRC, and submit the same to the DOF and NEDA Secretariat.

SECTION 3. Role of the Bureau of Customs (BOC). – The BOC shall, on or before **AUGUST** 15 of every year, submit to the DOF, notwithstanding any law to the contrary, the VAT and duty incentives availed by RBEs as reflected in their filed import entries.

SECTION 4. Role of the Department of Finance. – For purposes of monitoring and transparency, the DOF shall have the following responsibilities:

- a. Maintain a single database for monitoring and analysis of tax incentives granted;

cmc 107 - 2018 P. 4

- b. ON OR BEFORE DECEMBER 15 OF EVERY YEAR, ESTIMATE THE AMOUNT OF TAX INCENTIVES AVAILED BY RBES; and
- c. On or before June 30 of the subsequent year, submit to the Department of Budget and Management (DBM) and the Joint Congressional Oversight Committee created under Section 9 of RA 10708, and upon request, to the NEDA Secretariat the aggregate data categorized by sector, by IPA and by type of tax:
 - (1) the amount of tax incentives availed by RBEs;
 - (2) the estimated claims of tax incentives immediately preceding the current year;
 - (3) the programmed tax incentives for the current year; and
 - (4) the projected tax incentives for the following year.

Xxx

This Amendment shall take effect fifteen (15) days following its publication in a newspaper of general circulation and filing of three (3) copies hereof with the Office of the National Administrative Register (ONAR) University of the Philippines (UP) Law Center, Diliman, Quezon City pursuant to Presidential Memorandum Circular No. 11 dated 09 October 1992.

APPROVED, this __ April 2018.



[Signature]
CALOS G. DOMINGUEZ
Secretary
Department of Finance
APR 04 2018

[Signature]
RAMON M. LOPEZ
Secretary
Department of Trade and Industry
cm



CERTIFIED-TRUE-COPY

[Signature]
RHODORA V. REYES
Chief Administrative Officer
Central Records Management Division
DEPARTMENT OF FINANCE
[Signature]