

**MEMORANDUM**

TO : DISTRICT COLLECTORS
SUB-PORT COLLECTORS
ALL CONCERNED

FROM : *[Signature]* **ATTY. EDWARD JAMES A. DY BUCO**
Deputy Commissioner
Assessment and Operations Coordination Group

SUBJECT : REPORT ON COLLECTED VALUE ADDED TAX AND EXCISE
TAXES ON PETROLEUM AND PETROLEUM PRODUCTS
IMPORTED UNDER THE CREATE LAW

DATE : September 22, 2022

This has reference to the attached letter of Lilia Catris Guillermo, Commissioner, Bureau of Internal Revenue.

Section 295 (F) of "An Act Reforming the Corporate Income Tax and Incentives System, Amending for the Purpose Sections 20, 22 25, 27, 28, 29, 34, 40, 57, 109, 116, 204 and 290 of the National Internal Revenue Code of 1997, as Amended, and Creating Therein New Title XIII, and For Other Purposes" or the CREATE Law, provides:

"SEC. 295. Conditions of Availment. – The tax incentives in the preceding Section shall be governed by the following rules: xxxx

(F) Persons who directly import petroleum products defined under Republic Act No. 8479, otherwise known as the 'Downstream Oil Industry Deregulation Act of 1998', for resale in the Philippine custom territory and/or in free zones as defined under Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act, shall not be entitled to the foregoing tax and duty incentives, and shall be subject to appropriate taxes imposed under this Code.

Any law to the contrary notwithstanding, the importation of petroleum products by any person, including registered business enterprises, shall be subject to the payment of applicable duties and taxes as provided under Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act, and this Code, respectively, upon importation to the Philippine customs territory and/or into free zones as defined under Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act.

xxxx."



Based on the attached letter, the Commissioner of the Bureau of Internal Revenue requests to be provided with **reports, as to the payment of VAT and Excise taxes on imported petroleum and petroleum products at Freeport Zones and Economic Zones for the period from April 1, 2021 to July 31, 2022** in order for the Bureau of Internal Revenue to be able to validate payments and claims for refund of VAT and Excise taxes.

With the foregoing considerations in mind, you are hereby directed to submit to this office the required data for compilation to be submitted to the Bureau Internal Revenue.

For appropriate action.

